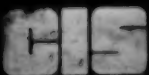


NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.



Congressional Information Service, Inc.
Washington, D.C.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1991

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED FIRST CONGRESS SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF DEFENSE

JOHN P. MURTHA, Pennsylvania, *Chairman*

NORMAN D. DICKS, Washington

CHARLES WILSON, Texas

W. G. (BILL) HEFNER, North Carolina

LES AUCOIN, Oregon

MARTIN OLAV SABO, Minnesota

JULIAN C. DIXON, California

JOSEPH M. McDADE, Pennsylvania

C. W. BILL YOUNG, Florida

CLARENCE E. MILLER, Ohio

BOB LIVINGSTON, Louisiana

DONALD E. RICHBOURG, J. DAVID WILLSON, JOHN G. PLASHAL, ROBERT V. DAVIS, SANDRA A. GILBERT, DAVID F. KILIAN, ELIZABETH A. PHILLIPS, DELACROIX DAVIS III, ALICIA JONES, JULIE PACQUING, TIMOTHY L. PETERSON, and GREGORY J. WALTERS, *Staff Assistants*; MARCIA L. MATTS, and MARY E. GAROFALO, *Administrative Aides*

PART 2

	Page
Commanders in Chief:	
European Command.....	1
Transportation Command.....	39
Pacific Command.....	99
Southern Command.....	143
United States Forces, Korea.....	213
Secretary of Defense, Fiscal Year 1990 Defense Posture	251

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

33-233 O

WASHINGTON : 1990

H181-91

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
¹DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
LINDSAY THOMAS, Georgia
CHESTER G. ATKINS, Massachusetts
JIM CHAPMAN, Texas
²MARCY KAPTUR, Ohio

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
VIRGINIA SMITH, Nebraska
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California
VIN WEBER, Minnesota
TOM DeLAY, Texas
JIM KOLBE, Arizona
DEAN A. GALLO, New Jersey

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

¹ Resigned Committee, May 16, 1990.

² Elected to Committee, May 24, 1990.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1991

THURSDAY, MARCH 1, 1990.

COMMANDER IN CHIEF, UNITED STATES EUROPEAN COMMAND

WITNESS

GEN. JOHN R. GALVIN, U.S. ARMY, COMMANDER IN CHIEF, U.S. EUROPEAN
COMMAND

INTRODUCTION

Mr. MURTHA. The committee will come to order.

Today the committee will hold hearings on the European Command. We want to welcome General John R. Galvin, our premier overseas commander, to Washington, D.C., and we appreciate what you are going through in these different times.

We were in Europe on Thanksgiving, a year or so ago. It has changed so dramatically. We stood at Check Point Charlie and there wasn't a person going back and forth, and a few months ago it had changed dramatically, and it is changing every day.

We will be very interested to hear what you have to say. This hearing today is closed. General, we will put your full statement in the record, and if you will give us a rundown of what is going on then we will ask you some questions.

SUMMARY STATEMENT OF GENERAL GALVIN

General GALVIN. Thank you, Mr. Chairman.

I appreciate your acceptance of my prepared statement for the record. It is interesting to see that there have been two different governments in Czechoslovakia, two in Romania, three in Bulgaria, and four in the German Democratic Republic since that time.

CHANGES IN CENTRAL EUROPE

If we look again at elections in Europe, in the Soviet Union, all the Baltic Republics coming up for elections, every one of these elections means great changes I believe. Moldavia, the Ukraine, Bylorussia, and Russia itself. In addition to that, between now and June, Yugoslavia, Hungary, East Germany, Romania, Bulgaria, Czechoslovakia—every one of them has a national election.

In the Federal Republic of Germany between now and June you have two state elections and then of course, later in the year, the other election in December—the national election. This is going to be another year like 1989, a year of enormous change.

SOVIET THREAT

I would like to make a comment starting off with a word that has gone out of currency lately—the threat. There is no doubt in my mind that given all of the change, we are moving into a different future. And as the Supreme Allied Commander of Europe, and the Commander of all U.S. Forces in Europe, I will have to look at the new situation. I had a discussion with the Chief of Staff of the Warsaw Pact the other day. That alone shows you how times have changed. It was my third discussion with either the Commander or the Chief of Staff of the Warsaw Pact.

In this case, I said to him, let me give you some facts and figures and you can comment on them. I said, I think you have about 180 divisions of which you could put 110 to 120 against the West. And out of those, you have 70 that are first line divisions, and out of those 70, about half are at 75 percent strength or better. I said, you have produced a tremendous amount of new equipment in the past decade—26,000 tanks 50,000 infantry fighting vehicles, 6,200 aircraft. Then I said, what do you think of my figures? Are they pretty close?

He said, you are talking about arithmetic and I prefer to talk about arms control. But he didn't say those figures are no good. He could have debated with me on their readiness or their fill of people, or their geographic location, or other things maybe, but I don't think he could have debated the overall numbers.

So I still have to have a sober sort of morning after looking at everything and say that is what is out there now. And what else is out there is a lot of instability, a lot of unpredictability and a need for U.S. leadership within the alliance and U.S. power as a part of negotiations as we look at the future. I think we are negotiating from a good position of power, but that is relative. I think we are beginning to understand that we haven't gotten a heck of a lot stronger, but the Soviet economy and the whole situation, as they try to move toward Perestroika shows us that we are in a good position now to negotiate with them.

ARMS CONTROL AND STRATEGY

So that brings up the next point, the point about strategy and strategic vision. I think something that has changed for me over the past two decades, of which I have spent a decade and a half in Europe, is my view of how arms control fits into strategy. If you had asked me ten years ago, I would say arms control doesn't fit into strategy. You could talk about it for 14 or 15 years, but you won't get anywhere, and this was what I was seeing, that is what we got out of MBFR.

Over the past three or four years, I have come to a much better realization that arms control is a big part of strategy. As I look from that to the strategy itself, our strategy of Forward Defense and Flexible Response, MC-14/3 in the NATO context, is a strategy of force generation, of reinforcement. If you look at it in terms of definitions, Forward Defense and Flexible Response are unspecific. It says Forward Defense means you defend all the territory of the alliance members. It places much more emphasis on how many

of the enemy come to the battlefield and when and how much force we can bring.

I think that is probably very good. As we now mix that with arms control, I get force generation control, because in the future, we will have a much smaller force in Europe and NATO will have a much smaller force, and the Soviets will have a much smaller, or no force, in the eastern part of Europe.

The Soviets can put things in the Soviet Union and it is still in Europe. We need to be sure that we can control decision making, mobilization, deployment, sustainability, reinforcement, and those things can be controlled. You can control mobilization by readiness levels and by fill of units and by geographical location of units. You can control deployment by logistics. You can't move forward unless the ammunition is forward. I see those things as changes in the strategic vision.

If we are able to accomplish what we want, we will have formed a matrix of treaties, conventional, theater nuclear, strategic nuclear, as well as chemical, and all of those fitting together, signed on the dotted line, not reversible, and actionable in the case of a violation. And then with a structure that over-watches that whole organization of treaties, such as NATO, and with a force component that adds to the security of it, you have a protected peace the likes of which not only Europe has never seen, but I don't think the world has ever seen especially in the era of technologically very powerful industrial nations which can really cause destruction in war.

This is a good vision, and I think that our basic strategy can be evolutionary as we move into that. There are changes that need to be made, but they are all evolutionary changes.

FORCE STRUCTURE

Let me proceed to a more detailed comment. As we become smaller, how do we change? The major way is that a smaller force responsible for the same terrain has to be highly mobile. So as I look at the future and the need to support that kind of a force, whatever size it is, but it is definitely going to be small, and I look at the technology involved, I would say, we need to have a small list of issues that are going to need attention. On that list is Follow-On To Lance, or some kind of a Euro-missile, providing a nuclear capability on the continent of Europe. Another one is, for me, to strengthen the south flank, which means the 401st.

I realize every one of these things is controversial but we need the power of 72 first line aircraft somewhere in the Mediterranean. We have lots of Greeks and lots of Turks and lots of riflemen, but no combat power in the eastern Mediterranean. We need strategic lift, especially sealift, although the timing now changes, and I may get into that if you want later, but the timing changes because the Warsaw Pact is dissolving as a homogenous military force and the Soviets are indicating they are going to move back, out of the several non-Soviet Warsaw Pact countries. We need Follow-On Forces Attack—precision interdiction is a better description for that. Basically if you want mobility, the way you seek it is to create a delta between yourself and your opponents, so you can either increase

yours or decrease his, or both. We are not going to increase our own very much. Interdiction is the best way to reduce his with respect to ours, and air defense, both the SAMs and interceptors, is the way to cover our own movements and achieve mobility. I want to support antisubmarine warfare and I see that it has been supported so far. And of course, as part of the whole question of lift, the C-17.

QUALITY OF LIFE

I will make one last point, Mr. Chairman, with reference to the people in the force. As we come down to a smaller force, their quality of life, and especially their own view of their future in the force will be vitally important to us. We are discussing this in the senior leadership of the force a lot and I need to signal to you the importance of maintaining the family support, the health, the housing, the environs of our people in the force.

Yesterday I talked to the Military Construction Subcommittee, whose Chairman is present here today, and said that I had reduced the number of requested projects from 66 down to 59. At the level of 66 that was already the smallest submission that we have made since 1982 and I brought it down further to 59. I assured his committee that I would make sure that any change that came about as a result of force reductions would be immediately factored in before we spent money on any of this, and I should have a pretty good idea of all the installations that we will be closing very shortly.

SUMMARY

My view is that as far as the Soviets are concerned, I believe they are moving in the right direction. I believe that we should praise them, but we should keep counting them at the same time. As far as the U.S. is concerned, we ought to support NATO and peace with a combination of strategy and arms control.

Thank you, sir.

[The statement of General Galvin follows:]

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
SUBCOMMITTEE ON DEFENSE
HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF
GENERAL JOHN R. GALVIN, USA
COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND
BEFORE THE
SUBCOMMITTEE ON DEFENSE
HOUSE COMMITTEE ON APPROPRIATIONS
1 MARCH 1990

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
SUBCOMMITTEE ON DEFENSE
HOUSE COMMITTEE ON APPROPRIATIONS

INTRODUCTION: :

Mr. Chairman and distinguished members of the Committee, I welcome this opportunity to provide for you my perspective on the situation in Europe as you study the U.S. requirements for a prudent national defense. As Commander in Chief, United States European Command, I am responsible for U.S. military activities in Europe and most of Africa. I also serve as the Supreme Allied Commander Europe, responsible to the North Atlantic Treaty Organization.

ENVIRONMENT:

The past year has been one of accelerating change in Europe. The harbinger for change in the East was President Gorbachev's December 1988 speech to the United Nations General Assembly. There, he not only announced Soviet intentions to withdraw unilaterally some military forces from Europe, but also declared Soviet support for national self-determination as the basis for international relations. In the West the impetus for change was provided by NATO's 40th anniversary summit in May 1989. With US leadership, the Allies established a comprehensive concept that called for incorporating arms control initiatives with a strengthened Alliance structure.

The pace of change in the East has been extraordinary. Since last October, there have been two different governments in Czechoslovakia and Romania, three in Bulgaria, and four German Democratic Republic. In fact, there have been as many heads of state in East Germany over the past four months than there have been in the previous four decades. Within the Soviet Union there has been severe political unrest culminating in some instances in violence and bloodshed. There have been major worker strikes in the Ukraine and Siberia, protests in Moldavia, violence in Georgia, calls for autonomy and even independence in the Baltic countries, unrest in Kazakhstan, and virtual civil war had to be suppressed in Azerbaijan and Armenia.

For a long time we in the West have been calling for change in the East. Now at last we are seeing a response. There is little doubt that the Soviets are in the process of change. Under their current leadership they have entered a period of transition, a development that will have consequences that reach far beyond Soviet borders. A transition this big, however, does not come without its uncertainties. It is a time of marked instabilities that can lead in a variety of directions. In the face of all of this unpredictability, we need to maintain a course that sets us on the road to a desired

destination. We want a secure and protected peace in Europe. That, I believe, is our vision.

When we have had vision -- such as after the Second World War with the Marshall Plan and the Truman doctrine, our participation in the United Nations, and our entrance into the North Atlantic Treaty Organization -- we have had a lasting peace. When we have lacked foresight and consensus as we did earlier in the century, the result has been war and destruction. If we can come through the next decade with an action agenda to fulfil a worthwhile vision, then there is hope that the Twenty-first Century will see less bloodshed than the Twentieth.

RISKS:

The crucial task for us is to get from where we are now to our desired destination with acceptable risk at reasonable cost. There is still danger in the world. In the midst of all the changes we see in Europe, formidable military forces still remain. At the moment and for the foreseeable future, the Soviet Union remains the largest ground and air military power in the world and continues to produce military equipment at a rate higher by far than any other nation. While they have been following through with their promised unilateral reductions on a

reasonable timetable, they have been careful to maintain their combat capability. The Soviets have reduced their forces deployed in Eastern Europe, but they are also modernizing, reorganizing, and redeploying. In short, they are restructuring their forces in such a way that their combat potential has decreased only slightly since 1988.

For example, while three tank divisions have been removed in the last year from East Germany and Czechoslovakia, many components of these divisions have remained behind. Tanks have come out, but modern self-propelled artillery has stayed. Infantry has remained, and armored personnel carriers and infantry fighting vehicles have come forward. Soviet air defense assets remain formidable, and they have taken steps to streamline command and control. In some ways, Soviet capacity for combined arms warfare has been improved.

We observed in Azerbaijan how capably they can introduce forces into even remote areas. Soviet Military Transport Aviation has conducted an impressive heavy-lift transport operation to the South Caucasus. More than 20,000 military and security troops were rapidly deployed by airlift. Overall, improvements in mobility, flexibility, protection, intelligence, and command and

control provide the Soviets with greater survivability and responsiveness.

During the first four years of Mr. Gorbachev's leadership of the Soviet Union, military production continued unabated. In fact it increased in a number of significant areas. In the past decade the Soviets produced 26,000 tanks, 50,000 other armored vehicles and 6200 combat aircraft. Once a CFE Treaty is signed they will be required to destroy a portion of this equipment. It means, however, that the oldest equipment in the Soviet inventory will be substantially newer and more modern than NATO's. This heavy production has created a modernized conventional and nuclear force in every category of air, land, and sea.

In the last nine months, production has gone down, yet remains at almost double the rate of the West. Modern aircraft like the FLANKER, FULCRUM, and BLACKJACK, quieter submarines like the AKULA-Class SSN, surface ships such as the TBILISI-Class aircraft carrier, theater and strategic missiles like the SS-21, SS-N-21, SS-18, SS-24, and SS-25, and all types of air defense systems such as the SA-10 and the 2S6 continue to be produced.

WARNING TIME:

Recent intelligence analysis concludes that the warning time we can expect for a major Soviet attack into Western Europe has increased. It stands to reason that as the Soviets reduce their force structure and as their Warsaw Pact allies become less reliable, mobilization and deployment would be detectable and would take longer; however, increased warning time means little if we cannot respond in time.

Operational and strategic surprise always remains a possibility; recent history can attest to that. Pearl Harbor in 1941, the Battle of the Bulge in 1944, Korea in June of 1950 when the North Koreans attacked and again in November of 1950 when the Chinese intervened, Hungary in 1956, Czechoslovakia in 1968, and Afghanistan in 1979 are all reminders of the possibility of surprise. We should therefore avoid reducing forces or force readiness in anticipation of increased warning time. U.S. response time, or the time required for us to mobilize and reinforce Europe, remains a critical factor Post-CFE. Anticipated changes in threat will not reduce our need for a credible rapid reinforcement capability. In order to maintain deterrence and enhance stability (before and after CFE), we must deny the Soviets an opportunity to believe that they can win the mobilization battle.

Should readiness be allowed to deteriorate, we would need added response time to revitalize the force. This would offset whatever warning improvements we gain and become counterproductive. The United States is not capable of fulfilling its current reinforcement commitment to NATO. In the Post-CFE environment, it is possible that we may have some additional time to redeploy forces to Europe, but that may not overcome the inherent advantage the Soviets have in reinforcing Europe. Our rapid reinforcement capability will need to counter the enemy's shorter lines of communication. Having to mobilize less ready forces, should that policy option be pursued, would make this task even more formidable.

ARMS CONTROL:

A major element of our strategy must be arms control. With the proper vision we can create a matrix of treaties that ensures greater security in Europe at significantly lower levels of forces. We need signed, verifiable, and irreversible treaties, actionable in event of violation. Without them we are merely hoping for peace, not ensuring it. In the attainment of strategic objectives, hope is not a good method; for example, the Kellogg-Briand Pact of 1928 denounced war as an instrument of national policy, but was painfully inadequate to stop the

onslaught of the Second World War.

We are now involved in a number of arms control initiatives. In 1988 we began the implementation of the Intermediate Nuclear Forces (INF) agreement. Currently, we are almost fifty percent of the way along in the removal of an entire class of nuclear weapons from Europe. At the same time we are abiding by the Stockholm Accords signed in 1986 under the auspices of the Conference on Security and Cooperation in Europe (CSCE). To date, we have made 41 inspections and observations of their exercises, and they have inspected and observed 35 of ours.

The major current initiative in conventional arms control is the prospect of concluding an agreement on Conventional Armed Forces in Europe (CFE). The outcome of these negotiations promises to be the most significant conventional arms control agreement ever reached. Simultaneously, we can hope to make progress in reducing strategic nuclear forces by up to 50 percent and in reducing chemical weapons in bilateral talks with the Soviet Union.

Once CFE has been negotiated, signed, and implemented, then we can consider a treaty on Short-Range

Nuclear Forces (SNF). Such forces will continue to be required and will remain an integral part of our strategy; however, we may be able to bring our nuclear stockpile down to lower levels provided the Soviets agree to parity.

These arms control initiatives, taken together, offer a far more secure Europe than anything seen heretofore in the twentieth century. Negotiated treaties are far more desirable than unilateral reductions. Without a binding treaty and the verification regime that comes with it, unilateral reductions can be reversed. We could find ourselves in the awkward position of pulling back our forces without any permanence in the reductions taken by the other side.

STRATEGY:

Deterrence of war and, if necessary, defense of NATO territory remain our primary goals in Europe. NATO's strategy of forward defense and flexible response may see some evolutionary changes in the future, but it will continue to be the best way to ensure that the goals are met. One of the unique qualities of this strategy is its ability to adapt to changing situations. It allows us to protect the peace and meet any crisis with the proper level of response necessary to defend ourselves.

Essentially, it is a mobile defense, with a back-up of nuclear weapons, that not only serves us well under today's conditions, but will also prove adequate as we move into a CFE agreement and beyond.

We must, however, have the appropriate resources if we are to be able to implement our strategy successfully. That means we must have the assets that allow us to support a response across a range of options called for in Alliance strategy -- direct defense, deliberate escalation, and general nuclear response.

THEATER REQUIREMENTS:

My principal resource concern is the well-being of the people of the U.S. European Command. Forward deployed American forces and their families deserve adequate facilities in which to live and work. My top goal is to give our people a living and working environment that promotes pride, professionalism, and individual dignity. This priority applies to whatever size U.S. force remains in Europe after a CFE agreement. The ultimate strength of the American fighting force is its people, and we must make every reasonable effort to ensure they receive appropriate health care, decent housing, an adequate MWR program, and a workplace in which they can serve efficiently. Supporting our people

signals our commitment to them, strengthens their morale, and is returned many-fold through their increased dedication to our mission and enhanced combat capability. This simple principle of attention to the welfare of the force is particularly important during a stressful time of drawdowns.

The reductions envisioned in the CFE negotiations do not diminish our need for modernization, especially for a modern theater nuclear force. NATO seeks to deter aggression by having capable conventional forces backed up by a survivable, credible nuclear capability. The critical linkage to the strategic forces of the United States is the theater nuclear force. It is simply not credible to believe that, should conventional forces in Europe fail to hold back an attack, then the next step would be escalation to strategic forces -- and without that credibility, deterrence is weakened.

The Soviets have been diligent in modernizing their theater nuclear forces. The FROG missile is being replaced with the SS-21. The SS-N-21 has been introduced. In nuclear-capable artillery the Soviets will retain a four-to-one advantage over NATO; in missile launchers they will retain a sixteen-to-one edge.

It is therefore imperative that we continue to modernize our own theater nuclear weapons. Specifically, we need to continue to field modern dual capable aircraft armed with the SRAM-T, thereby enhancing our standoff capability, and develop the Follow-on to Lance missile. With greater mobility, reliability, range and survivability than any of the theater nuclear forces we now have, Follow-on to Lance will strengthen deterrence.

Reinforcement is also key to deterrence and defense in Europe. We need to continue our balanced approach to building strategic lift and completing our stockage of forward-deployed equipment (POMCUS). The C-17 aircraft must complement our aging airlift fleet with added capability to deliver time-critical forces worldwide directly to the combat area. Since 95% of our requirements must travel by sea, we need to invest in the infrastructure and ships to get them across the Atlantic. We estimate that in the first month of any crisis we will require approximately 1000 shippings to reinforce Europe. That means that we will need enhanced sealift to get forces to Europe on time.

With fewer forces in place, mobility grows even more important. To gain a mobility differential, we must increase our ability to maneuver while we slow the enemy

down by delaying, disrupting, diverting, and destroying him. Our Follow on Force Attack (FOFA) capability will remain a critical component of our defensive doctrine. JOINT STARS is the centerpiece for FOFA. It orchestrates the countermobility effort. The Joint Tactical Fusion Program is an Army and Air Force automated system to correlate and analyze high volumes of data and disseminate the results to the battlefield commander. ATACMs is an improved conventional missile system that is able to attack important targets beyond the range of cannons and rockets, while the TACIT RAINBOW missile responds to a critical shortfall in our capability to suppress the surface-to-air missile threat. TACIT RAINBOW complements the HARM missile as well as electronic countermeasure systems and will be a force multiplier by increasing both sortie effectiveness and sortie generation rates.

Even after the reductions which are being proposed in CFE, there will continue to be large numbers of modern Soviet tanks and armored vehicles in Central Europe. In view of this, the Army heavy forces modernization and armor/antiarmor programs are a high priority. Without the proposed armor program, the US could sacrifice the technological initiative to the Soviets and be decisively overmatched. Improved air superiority systems and

preferred munitions continue to be essential to NATO's strategy at post-CFE force levels. Smaller, more mobile forces will depend heavily on control of the air for freedom of maneuver. Also, these programs are not solely justified by the needs of the European theater. Their usefulness extends into other theaters as well.

We must make the most of remaining forces in Europe in the future by ensuring that they are fully ready to execute their mission. A key factor in the readiness process is Operating Tempo (OPTEMPO), which is the frequency and duration of our operations and training on our vehicles, planes, ships, and other weapons systems. In addition to making sure that we have the right number of flying hours, vehicle miles, ship steaming hours, and training munitions, we must have the right training mix of computer simulation, field and command post training exercises, and individual training events. We have made significant progress in this direction while enhancing the training benefits to different echelons of command and decreasing environmental impacts. Facilities such as the Combat Maneuver Training Center provide the environment in which our battalion-sized units can conduct combined arms training and experience pressures and decision-making challenges in facing realistic combat situations. The Warrior Preparation Center is a joint

Army/Air Force facility that provides computer simulation of combat at the operational level of war for commanders and staffs. Extensive use of simulation enhances the quality of training while minimizing the requirement for costly, large-scale exercises.

Military construction is a critical part of all of our programs. The U.S. European Command's MILCON request for FY 91 is the lowest since FY 82. It is the program that gives our troops decent housing, barracks, schools, and health care; allows them to maintain and protect the modern equipment that our nation has procured and fielded; and provides a professional workplace for our soldiers, sailors, airmen, and marines. The 17 projects I am requesting for Army forces and the 21 for the Air Force are focused on giving our people quality living and work spaces and supporting readiness and training. The small Navy program of five projects is oriented on facilities for maintenance and operations. There are also six medical facilities that are especially important, along with 10 DoDDS school projects to correct substandard, aging, and overcrowded buildings. The enormous pressures on the DoD budget should not be allowed to overshadow the fact that these facilities will support our Post-CFE forward deployed forces.

A MILCON related program needing full funding is the NATO infrastructure account, which supports the relocation of the 401st Tactical Fighter Wing (TFW) from Torrejon AB, Spain, to Crotone AB, Italy. The 401st TFW is key to maintaining deterrence in NATO's Southern Region. Its 72 F-16C/D aircraft provide counter air, ground attack and nuclear capabilities in a region which is short on state-of-the-art air assets. The 401st TFW represents a significant portion of NATO's third generation aircraft in the Southern Region. This wing fulfils one of the most important and highest priority missions among the NATO air forces of Allied Command Europe.

As U.S. forces in Europe are drawn down as a result of the negotiations on Conventional Armed Forces in Europe, we will close or modify some U.S.-operated facilities. We are currently in the process of identifying those forces and facilities which will be affected. We are far enough along already in our studies to provide assurance that nothing in the revised submission of requirements from US European Command will fall in the category of units or installations to be changed by the reductions currently a part of the US portion of the CFE proposal.

We have developed a set of principles to guide us in reducing our forces to meet the President's proposal for 195,000 U.S. ground and air forces in Central Europe. These principles will lead to a residual force with maximum combat capability for the least expenditure of defense funds.

The guiding principles are as follows:

- Optimize combat capability
- Support the strategy
- Forward Defense
- Flexible response
- Minimize deleterious effects on the people of the force
- Balance reductions between regions and missions
- Eliminate or reduce future facility costs
- Protect ability to train
- Minimize intratheater moves
- Protect modernization efforts
- Retain or enhance reinforcement capability
- Avoid hollow force

I anticipate we will have some preliminary analysis completed within the next few months. After we accomplish the necessary coordination and refinement within the European Command and the Department of Defense we will inform you of our recommendations.

CONCLUSION:

I appreciate the opportunity to appear before this committee and present my views. My central theme has been that in these times of change that offer us both great opportunities and risks we must proceed with stability and vision. I look forward to working with you so that we can do just that.

SECURITY OF SOVIET NUCLEAR WEAPONS

Mr. MURTHA. Thank you, General.

Is there any chance that the Russians could lose control of the nuclear weapons under their control? Do they have a fail safe system of controlling their nuclear weapons?

General GALVIN. They have good security of their nuclear weapons. I think you may have read that they have had—they have gone to great lengths to make sure their nuclear weapons are secure, and I am pretty confident that they are not going to have a problem, a security problem with nuclear weapons.

Mr. MURTHA. Do they have any deployed in areas where there is a lot of instability—I guess that is every place in Eastern Europe? But you feel confident, without getting into highly classified information, that if somebody got a hold of one of those nuclear weapons you would be aware of it? What would happen if they lose control of a nuclear weapon?

General GALVIN. I don't really know in detail, Mr. Chairman, what they would do if they lost control of a nuclear weapon. I think they have all been very concerned with security of nuclear weapons. I don't know in detail what they would do.

Mr. MURTHA. And you think they have enough control that one is not going to be lost out there with all the instability that is going on?

General GALVIN. No, I don't think anything will be lost. I have a lot of confidence in that.

Mr. MURTHA. Mr. Livingston.

STRATEGIC DEFENSE SYSTEM

Mr. LIVINGSTON. Thank you, Mr. Chairman.

General, you are certainly in a position to observe some of the most remarkable changes of this world, and certainly of this century, so I think the President of Czechoslovakia, Mr. Havel, was correct, things are happening so fast we don't have time to be astonished and that proves itself day after day after day.

I am a little concerned about the projection of the future. I think a lot of your problems and ours could be resolved if we in fact did ultimately deploy an effective strategic defense system. Any concerns about renegade firings of Soviet missiles or other missions, or for that matter, the bolt out of the blue first launch attack? It could all be at least observed and perhaps dealt with quickly if we had a good system. But it would seem that in the next few months or years, if we actually do begin testing or deploying a system that we may run right up smack against the ABM treaty and other possible agreements.

I read in the paper just today that the Soviets say that if we even so much as test one that they may pull back from the strategic arms reductions talks and treaty. Do you think that there will come a time when we may convince the Soviets it is in our mutual interest to have effective strategic defenses so that we can cut the number of weapons and then achieve a relative degree of parity and a much greater degree of security for all our peoples in the world in the future?

General GALVIN. I am up-beat about that. I think it is possible. I think there is a recognition that we didn't have before that our defense is concerned with our adversary's concept of his defense. I think now we have given a lot of thought to that and understand that part of deterrence is assuring the other side, not only that you have a good defense, but that he has a respectable defense.

I certainly support the strategic defense. My primary mission in Europe is deterrence and although I don't control the strategic defense, I think it backs me up in terms of that deterrence.

Mr. LIVINGSTON. Do you think we might convince them that amendments to the ABM treaty are necessary and vital?

General GALVIN. I don't know about that. My overall feeling is that we are in a good negotiating position because they really need to move from where they are now to something better. I think if Gorbachev really has a problem, it is the problem of being able to improve the quality of life of his constituents now that he has constituents the way that we have them, more or less. No matter what else he does, if he doesn't do that, he has got some problems. So that puts us in a good position.

Mr. LIVINGSTON. I hope so, because I am convinced that the old system that has kept us from holocaust for the past 40 years, the concept of mutual destruction, was great as long as we knew who our adversaries were, and convinced that both sides were led by rational human beings, but with the hope for peace and prosperity also comes a great deal of instability.

As the question the chairman alluded to, we are not altogether sure who is going to have control of the missiles in the future. We see the Iraqis have capability, presumably the Iranians do. The Chinese sell missiles on the commercial market, the Indians have them. Fifteen countries have some sort of missile capability, and not telling how many of those have a nuclear capability, and presumably many more have some sort of chemical or biological capability.

It seems that mutually assured destruction where two sides possess weapons and have a substantive sympathy, is not going to meet the threat of the future. Even the Soviets probably stand to lose more than we do by the threat of renegades controlling bombs, because they have got their southern borders somewhat threatened even today.

I really think that the strategic defense offers a great deal of promise for peace and security in the future, but I am just very, very concerned that if we take arbitrary positions that we have held to for the last 15 to 17 years or however old the ABM treaty is, and keep ourselves from testing those systems that we will never get to that enhancing possibility.

General GALVIN. I would make a comment about that. If Paul Kennedy is right, we will go from a bipolar world, which is a confrontational world, to five major powers, or conglomerations—a multipolar world.

At the same time, there are about a dozen countries today that have a thousand tanks and more. Some are small countries. There are countries that increasingly have access to high technology as far as weaponry is concerned. So as we proceed along this route, which seems to be leading to a relaxation of bipolar confrontation,

it is not a paradise as far as deterrence is concerned. There are instabilities out there and those kalaidascopic interrelationships are going to mean probably a tougher world to predict. We will have very tough decisions to make as to what our defense really should be.

MIG-29'S IN CUBA

Mr. LIVINGSTON. Why do you think the Soviets are supplying the Cubans with MIG-29s?

General GALVIN. I think it was a dumb mistake. Maybe it was right hand-left hand problem. I don't know exactly, although the MIG-29 is an air defense interceptor and it is not as much of a threat as a fighter attack aircraft. But it is still a very capable aircraft.

I don't know. When I asked the question to my counterparts they seemed a little embarrassed about it. Maybe they just made a dumb mistake.

Mr. LIVINGSTON. Hopefully we won't have to pay for it.

One of the primary objectives of CFE talks is to end up with a force of less on both sides in Europe. That means we want equipment that provides the most capability for our men at the least dollar cost. Could you comment, or would you want to refer to the record how the AHIP program fits into the European scenario for CFE. That is the Army helicopter Improvement Program. Would it assist in your needs as a night fighter?

Perhaps you would like to defer that for the record.

General GALVIN. I would like to defer that for the record.

[CLERK'S NOTE.—The Department's response to this question is printed on page 37.]

Mr. LIVINGSTON. That is all I have right now, Mr. Chairman. Thank you.

Mr. MURTHA. Mr. Hefner.

Mr. HEFNER. Mr. Chairman, I don't have any questions as such. We had a very good meeting with the General yesterday and had the privilege of having lunch with him, which we enjoyed very much. We just want to welcome you to the committee and look forward to working with you any way that we can.

Mr. MURTHA. Mr. Sabo.

CFE PROPOSALS

Mr. SABO. Thank you, Mr. Chairman. Welcome to the committee, General.

Can you explain to us the most recent CFE proposal and see if my understanding is right. I understand we are talking about limits of 225,000 in total, but for us that is 195,000 in Central Europe and 30,000 as they describe on the peripheral? What countries can those 195,000 be located in?

General GALVIN. They can be located in Germany, Denmark, the Benelux countries—Belgium, The Netherlands, Luxembourg.

Mr. SABO. And if for some reason we go below the 195,000, in those five countries, we still cannot go above 30,000 in the peripheral. Is that accurate?

General GALVIN. That is accurate. That is not a signed, sealed and delivered thing yet. That has just been a discussion. I assume that there will be some wording—when I say it is accurate, that is in terms of what I know about the discussion.

Mr. SABO. I will pass for the time being.

Mr. MURTHA. Mr. Miller.

REVISED MOBILIZATION REQUIREMENTS

Mr. MILLER. Thank you, Mr. Chairman.

General, the U.S. had as its mobilization objective, the movement of ten divisions in ten days to Europe. We have heard that many times. Is this objective still valid?

General GALVIN. I think that objective is going to change. Basically, it was a movement of six divisions because there were four there already. But it was to have a total of ten in Europe in ten days.

Now, as we look at the Soviets pulling out of the Warsaw Pact countries, if they do, then the arrival of Soviet divisions, if they wanted to move into Germany, would be different. If it is different and takes longer, then that would mean that this force generation that I talked about earlier could probably meet it at a lesser rate than having those six divisions turn up in ten days.

DRUG INTERDICTION

Mr. MILLER. We had a discussion this morning with one of the CINCs concerning drug interdiction; the people in the U.S.—all of our constituents—feel that we should do more to stop the drug flow into the U.S. You are doing what you can, and you have a responsibility in this area, but I am wondering if you could tell the committee how much is in the budget that you have requested for 1991 that would go for drug interdiction?

General GALVIN. I am a supporting Commander in Chief because of my location over there in Europe. There is, as you know, some heroin traffic—that has been in the past. It has died down, the heroin trade that goes east to west, from Europe to the U.S. There is some cocaine trade that goes in that direction, but the general flow is south to north, not east to west. So I am able to operate with the forces that I have as a supplement to the other CINCs and I have been doing that. For example, just a couple of weeks ago I trailed a ship out of the Mediterranean, handed it over to Frank Kelso, Commander in Chief, Atlantic and his people boarded it and it was a drug bust.

My efforts on that are pretty low and I can handle it mostly within my own budget. If I have something in the area I can work it. I am supporting CINC mostly.

Mr. MILLER. I understand, we have so many agencies that are involved in drug interdiction beyond the military services but I also think we need to tell the people that we are spending more on drug interdiction than what shows up in the newspapers and the budget.

Some dollars will be in the Defense budget and some dollars in the other agencies' budgets, and I think we owe it to ourselves, to people who feel we are allowing the military to have one third of our total budget and who feel you should be spending some of that

on drugs, to point out that we are spending some, but it is a pass-through, that may not be easily identified.

That was the purpose of the question—if you have figures you could send to the committee later, I would appreciate it.

General GALVIN. Yes sir. I will provide the figures.

[CLERK'S NOTE.—Department was unable to provide a response in time to be printed in this hearing volume.]

Mr. MILLER. Thank you, General.

MANPOWER REQUIREMENTS IN EUROPE

Mr. DICKS. One of the things we have heard a lot of discussion about has been resistance from military commanders, including yourself, to the President's new proposal to limit superpower manpower in the central zone to 195,000 and an additional 30,000 in the remainder of Europe.

In your professional and personal judgment, what risks are involved if any, in such an agreement?

General GALVIN. I don't characterize what I have been saying in any way, as a resistance to it. I feel that I have been consulted on it and let me go through that.

When the President came up with the idea that he wanted to go below the current levels down from—we are talking about the Army and the Air Force—from something just over 300,000 to 225,000, Colin Powell called me and said the President wants to go for a new number ———. Because of the differences in distance to reinforce, he still thinks that we have got to have a respectable force there, but he thinks we can do that at a lower number. What would be a lower number? Where if it went any lower than that, would you have to fall on your sword? Colin Powell and I talk about three or four times a week and sometimes everyday. The Goldwater-Nichols thing really works, and this, I think is another example of it, and there are many. Obviously I have been doing some "what ifing" all along, because I thought something like that might be coming.

I said 225,000 but how long do you have to firm that up, and he said maybe a day. I called him back and said I have talked to my supporting commanders in the Army, Navy and Air Force—especially the Army and Air Force—and we could live with the 225,000. That was the first point. Later, as the negotiations went on, and the discussions in the Administration, Colin came back and said okay, 225,000 it is—we go with that as an overall figure, but the President wants to be down to 195,000 in the central region. So I looked at that and said let me get back to you. I talked that one over with my component commanders.

I would like the flexibility of just the 225 without the 195 figure, but I saw what he was driving at. He wanted to get below 200,000 in my opinion. I said, okay, we can live with that. Now, since then, there has been one other move. That is that the 30,000 between those figures has become a little bit more specific. In other words, before this it was 225,000 and the 195,000 which were two different nested ceilings, and you do play between those. You could reduce in the center if you needed to put strength outside and back and

forth. Now that flexibility is gone. It will be two fixed numbers. So that is—

Mr. DICKS. The 195,000 in Central Europe and 30,000 outside?

General GALVIN. Yes sir. You still have 225,000 and the 195,000, but you cannot take from the center and put it outside.

Mr. DICKS. So you are really locked into those two numbers or something less?

General GALVIN. You are locked into those two numbers or something less. We are locked into those two numbers as kind of ceilings and floors at the same time. That makes it less flexible, but it provides me what I wanted to have in the end—that is, I know that we cannot go—in my opinion, we cannot go below a corps in Europe and five or six Air Force wings.

Mr. DICKS. A corps. You mean two divisions?

General GALVIN. Two divisions. An armored cavalry regiment, a couple of separate brigades. The corps itself, besides the two divisions, would contain two artillery brigades, an aviation brigade, an engineering brigade and so forth. When you put that all together—and you have to remember that there are other things in Europe. All the air defense, which is not part of the corps or practically none is part of the corps, is a separate unit of upwards of 15, 16,000 people that defends airfields and other things.

Then you have communications people, several thousand more. Then you have intelligence people, thousands more. And many others that we call stove pipes.

Mr. DICKS. How are the troops distributed today?

General GALVIN. Today the Army has 218,000, of which about 209,000 are in this central zone. That zone includes the Federal Republic of Germany, Belgium, The Netherlands, Luxembourg, and Denmark. The Air Force has 88,000, of which about half are in that central zone and half are outside it.

Mr. DICKS. So we have about 252,000 in the central zone, you are going to have to get down to 195,000. So we are talking about 75,000. How will you take that reduction?

General GALVIN. I will take that reduction—I would have to refer to my figures—but I will take that reduction in such a way that I have a corps.

Mr. DICKS. You would take two divisions out?

General GALVIN. Two divisions and a corps headquarters and a corps support command, and a number of installation activities that go along with those divisions. I will close about 50 Army installations and about 30 Air Force installations.

Mr. DICKS. Is this three to five years after Congress approves the CFE?

General GALVIN. I really don't have that kind of direction from anybody yet. I don't know what it is going to be.

Mr. DICKS. The Soviets are at five years and at three I think for troop reductions.

General GALVIN. I didn't know that. I didn't know it was a five and three-year point. I see what you mean. You mean that the Soviet position is five and the U.S. is three?

Mr. DICKS. Right. We haven't got an agreement yet. They want to go a little slower than we do.

General GALVIN. That is right.

Mr. DICKS. They may have their schedule moved up for them. Isn't the problem here, are most of those troops in Germany?

General GALVIN. Yes.

Mr. DICKS. Almost all of them. Isn't that what Senator Nunn and others are worried about is what happens under this formula if all of a sudden we can no longer stay in Germany? We would have to move into these other countries. Would that mean building military construction? Would they let us in?

General GALVIN. I think it is kind of a moot point. ———.

Mr. DICKS. ———.

General GALVIN. ———.

Mr. DICKS. So we could end up with 30,000 troops in Europe.

General GALVIN. We have to look at this in terms of what would actually happen. ———.

Mr. DICKS. So you think the chances of this happening is rather remote?

General GALVIN. Yes. ——— said just last week—"we are going to stay in the alliance as a united Germany and as a new Germany." If he loses, Mr. Fontaine will win.

Mr. DICKS. He wants a neutral Germany doesn't he?

General GALVIN. I don't know what he wants. If Kohl loses and he wins, we will have a new situation—there will be a question as to how they stand. All we know right now is how Kohl stands and I would hate to make any predictions because, as you know, a political party can say one thing when it is the opposition but says other things when it is incumbent.

Mr. DICKS. We have seen a few like that.

Mr. HEFNER. If Germany decided to kick us out, the Soviet Union might want to join NATO.

General GALVIN. Maybe so.

Mr. HEFNER. I can see us building family housing in Leningrad.

Mr. DICKS. You say now 195,000. You think that is as low as we can go and have a credible force in Europe. That is your position, right?

General GALVIN. Yes, sir.

Mr. DICKS. What are you going to do if Congress says we think you ought to bring more home?

General GALVIN. I am going to resist that.

Mr. DICKS. If you had to execute it, say we bring you down to 150,000 in Central Europe and 20,000 outside?

General GALVIN. If you said that today, then I am going to salute and do it. That is the relationship here.

Mr. DICKS. How would you execute it?

General GALVIN. I would have to re-look the questions and there would be tough grinding decisions, like am I going to get rid of air defense in order to hang on to ground combat power, would I move more air back in order to keep the ground forces there, would I move more ground forces back to the states in order to keep sufficient air power to interdict any enemy movement forward while I brought the ground forces back in.

Mr. MURTHA. If I hear you right, you are saying if you get below 195,000 you are getting into a question of a truly deterrent force, you are getting into a political problem of not having sufficient forces to have a U.S.-NATO Commander?

General GALVIN. Part of the problem is that we are supposed to be the leaders in this alliance and I believe in that strongly.

We are the glue in NATO. How are we going to be the glue in NATO if everybody has a corps and we have a division?

PRE-POSITIONING OF MATERIEL CONFIGURED TO UNIT SETS [POMCUS]

Mr. DICKS. One issue that needs to be resolved in CFE is POMCUS. What is the level of forward deployment forces you could support depending on the outcome of this issue?

General GALVIN. As long as I have POMCUS they could fall in on in Europe, I could get the divisions back fast. ———. That means that you can fly them across, you don't have to try to take them across by ship. I have certain units that would fly over and fall in on the equipment.

In the meantime, we are sending others by ships, the fast deployment ships. They can make 30 knots, so I send those first. First you get the fly-in, then the 30 knot ships, and then the lesser speed ships.

If POMCUS weren't there, I couldn't do the first part.

Mr. DICKS. So the POMCUS issue is crucial?

General GALVIN. Yes.

Mr. DICKS. There has been talk that maybe out of a Helsinki II agreement that we would consider maybe having a Pan-European military alliance which will include, for example, all of the former Warsaw Pact and NATO countries and maybe the Soviet Union, and the U.S. in one overall security arrangement. What do you think of that?

General GALVIN. I think that is speculation that is reaching pretty far out into the future. I wouldn't try to denigrate that or anything. Anything is a possibility. You need this matrix of treaties and then a structure to control it. The structure that we have now is NATO, and it is a good structure because it can make hard decisions. It does it all the time, concerning force goals and spending money. We have that. Could that be expanded in the absence of a Warsaw Pact, evolve into something new which would encompass more countries and would continue to provide this over-watching structure for the security of Europe? I think it is possible that the march of events in the next few years will show us whether or not it is really viable. But I wouldn't say it is impossible.

Mr. DICKS. On the question of the reason for us to remain. It is my judgment just as we have 120,000 troops in the Pacific, that a residual force in Europe will enhance stability in the entire region, including Eastern Europe, and maybe have some positive effects on the Soviet Union.

Do you think that considering what is happening in Eastern Europe today that the fact that U.S. troops are there will continue to add stability in the region?

General GALVIN. I think so, and I think Gorbachev thinks so. I think everybody thinks so, and that is why I don't think we would get Germany saying that we should move our troops back. I think most people feel that if we had had them there before World War II, it might not have happened.

Mr. DICKS. At what point do we get down to a force that is so minimal that we can no longer not be a factor?

General GALVIN. I would say 195,000 in the central region.

JSTARS AND MILSTAR PROGRAMS

Mr. MURTHA. Last year, as I remember, JSTARS was your top program that you were concerned about?

General GALVIN. Yes.

Mr. MURTHA. Is that still a high priority?

General GALVIN. That is still one of my very top priorities.

Mr. MURTHA. We have some questions for the record that we want to make sure we get answered before we go to markup on JSTARS. How important is MILSTAR? Have you gotten involved—

General GALVIN. MILSTAR is the future of my communications. I really need MILSTAR. It does provide me secure communications with that whole complex of satellites. It can't be interrupted and is especially important in command and control of nuclear weapons, but definitely in the linking together of all of the commanders deployed forward. It is essential to us.

Mr. MURTHA. Where is it on the priority list?

General GALVIN. It is in that group of about eight things that I think are vitally important to me.

Mr. MURTHA. How about the open Skies proposal? Do you have any comments on it?

General GALVIN. I think it fits into this matrix of treaties and it is workable.

I would like to say a little bit about JSTARS.

Mr. MURTHA. Go ahead.

General GALVIN. With a smaller force but the same terrain, you need mobility. The way to get that is to increase your own air defense and to cut the enemy's. Use precision interdiction against him. That is Follow-On Forces Attack. You focus your interdiction, make it a campaign, look at all the enemy coming and moving in the area and decide which pieces of this do I specifically have to stop?

In order to do that, you need JSTARS. Because it gives you the eyes. Take the corps that is there. We had SOTAS and that was going to give eyes to the corps. SOTAS was a helicopter with radar on it that could see moving vehicles. We didn't get it. Then we talked about remotely piloted vehicles. We didn't get those. Then we said okay, we will take the OV-1 and make it the OV-1D and we will be able to look out there. That has dropped out.

What you have in JSTARS is an airplane that can give you either wide view, which would be reconnaissance, or narrow view, which would be target acquisition. And you can go back and forth, recon the whole area to the front, pick out a target and say I want to hit that one.

Without that you have a Samson approach. You have built all kinds of combat power into the Army Corps but it can't see to the front. So if you don't get JSTARS, it would be about the fifth in a series of disappointments in which we are not matching our firepower capability to a capability to find target. So it is important to

have something that sweeps out there, picks up targets and focuses in on them. The target might be a tank or airfield, or whatever, and that is what JSTARS can do for you.

SOVIET WITHDRAWALS

Mr. MURTHA. Let me ask you about troop changes in the Eastern Bloc. What level of troops and equipment did the Soviets withdraw from Eastern Europe in the past 12 months?

General GALVIN. Three divisions. They came out of East Germany.

Mr. MURTHA. Have they been moving any equipment beyond the Urals so they can save it?

General GALVIN. They have more than a thousand tanks that they have moved beyond the Urals. I don't know what they intend to do with them. They have them stacked up in a parking lot.

Mr. MURTHA. Are they going to have trouble destroying their chemical weapons and tanks and have trouble demilitarizing the equipment?

General GALVIN. Under CFE, if the proposal goes through and is accepted, they have to destroy 90,000 pieces of equipment and that is all iron, most of it—airplanes, helicopters, tanks, fighting vehicles of all sorts.

Mr. MURTHA. Is it realistic to think with their economy in absolute disarray that they are going to spend money on disassembling this stuff?

General GALVIN. I think it would be difficult, so I have suggestions to help them do it. I think they ought to disable them all first and then destroy them in a phased operation. I think we are going to have to be reasonable with them in this.

First of all, with the new glasnost and television, you can imagine what is going to happen when the man in the street in the Soviet Union sees they are going to have to destroy a mountain of steel for which he paid with his quality of life for 40 years. He isn't going to like that.

I think you can come up with a disablement program to allow you, with a few thermite grenades, to disable a tank, the engine, fire control mechanisms, the gun tube, and then you can proceed at a more deliberate pace.

CHEMICAL WEAPONS

Mr. MURTHA. What about demilitarizing chemical weapons? I understand they don't have the procedures to do that.

General GALVIN. Right now I am not sure that they have an arrangement to do that. In fact, it is pretty tough for us to do that, but we have it worked out I think.

Mr. MURTHA. Are your procedures going forward? For instance, are they building the—

General GALVIN. The ship? Yes.

Mr. MURTHA. You are modifying the ship and building containers to carry them?

General GALVIN. They have the ship. We are training the crew and adjusting the ship to do this. We are building containers to

move the stuff in and at the other end, we are working on the destruction capability.

Mr. MURTHA. We are aware of the problem because we keep giving directions that we get something done. You are going to have them out of there on schedule?

General GALVIN. I am going to try my best. My plan is that the schedule doesn't come first, safety does. If I run into a problem, and I can imagine lots of problems, safety will be first. I hope to make it in about a year.

Mr. MURTHA. In about a year you will have them all out of there or start getting them out of there?

General GALVIN. The plan is to have them out by the end of this year.

NATO BUDGET TRENDS

Mr. MURTHA. Is the current trend of the defense budget of the NATO allies up or down?

General GALVIN. Down. That is in planning for the future. They haven't pulled much out of their force commitments right now, but if you look at their five to fifteen year plans it is a downward trend.

Mr. MURTHA. What effect does it have for us to cut back on our budget?

General GALVIN. Other nations look at that and say the U.S. has the best intelligence in the world. If they can cut back, we can cut back.

SEALIFT

Mr. MURTHA. If we are going to be pulling troops back, we will have a problem getting them back over there if we have to. Do you see additional requirements for sealift?

General GALVIN. I am not coming down as strongly as I did last year on fast sealift. I have enough to cover me if the Soviets reduce and pull back. We need to look at sealift, the regular sealift.

Now, today's ships are being built to cruise at 25 knots. That is almost as fast as fast sealift. That is good. The problem is we are not building them, and we don't have a merchant marine. I think the whole thing of a maritime strategy and the merchant marine rebuilding, I realize how the Congress feels about putting money into this and subsidizing. I don't know what the overall solution is to that.

Mr. MURTHA. Last year we put a billion dollars from this committee into sealift. We said work it out. It got down to \$600 million and Cheney deferred it, and we hope to work this thing out. You still have a requirement for sealift, but it doesn't have to be fast sealift?

General GALVIN. No. It has to be these flat racks and seasheds, modifications to current ships in order to be able to carry military equipment, then building some kind of merchant marine that could be responsive to us.

We have a so-called NATO fleet but these guys could be all over the world—in Pago Pago or somewhere with a load of whatever. We would be better off with a U.S. capability.

FOLLOW-ON-TO-LANCE

Mr. MURTHA. What about follow-on-to-Lance?

General GALVIN. That is being held in abeyance for a decision in 1992. I think that the changes of getting that system are pretty iffy, to say the least. Nevertheless, I have to tell you what I think—they are making a mistake not to have the Follow-On-To-Lance because we have artillery that has a 30 kilometer effective range and the toughest missions in Europe are going to be given pilots that have to penetrate in bad weather at low level and high speed into the toughest air defense environment in the world.

I want to have a missile that you can hide in the countryside, one that doesn't have to be at an airfield, which is a big X marks the spot, and that will penetrate and be accurate. The whole military world is turning towards missiles, and that is the way to go because a missile is simpler, cheaper, more reliable, more accurate, and does what you want. But there is great opposition to this.

Nevertheless, my best military advice is you need the Follow-On-To-Lance.

B-2 AIRCRAFT

Mr. MURTHA. Does the B-2 still have a priority with you? I realize that is not in your department but would you be concerned about the B-2, realizing its cost?

General GALVIN. The B-2 would be important to me in deeper interdiction. I have to think about the possibilities that it has of going against rail transloading yards, and so forth that are really deep, so that I can disrupt the reinforcement—this force generation that we talked about. But I do not single it out—as I told you, I have got to make a list, if it is to be believable, that has eight or ten things on it. And I don't include that. I'd single out the C-17, however.

Mr. MURTHA. The C-17 obviously gets more important as you reduce the number of U.S. troops in Europe?

General GALVIN. Absolutely. The C-17 is something that the ground force is going to absolutely be relying on to get into combat and so it is very high up on my list.

Mr. MURTHA. We hope they have C-17 costs under control. It is not something we have been happy with, the way they ran it.

Any other questions?

Mr. Miller.

Mr. MILLER. No thank you.

Mr. MURTHA. General, you can see your theater is so well run that we don't have to spend as much time with you as we did when you had all those problems. Everything is going so well over there.

General GALVIN. Thank you, Mr. Chairman. I appreciate that. I think I am going to get cut anyway.

Mr. MURTHA. Mr. McDade and Mr. Livingston have some questions for the record. The committee will adjourn until Tuesday, at 10:00 a.m.

[CLERK'S NOTE.—Questions submitted by Mr. McDade and the answers thereto follow:]

CONVENTIONAL FORCES IN EUROPE (CFE) AGREEMENT

Question. The U.S. and its NATO Allies are currently negotiating an arms agreement with the Soviet Union and the Warsaw Pact nations to limit conventional arms in Europe. NATO has proposed that such an agreement would essentially establish parity between the two alliances in terms of major weapons held by each alliance on European in Europe. If this proposal was accepted by the Soviets, the Warsaw Pact countries would have to make much larger reductions than NATO. What are your views on the prospects for a successful conclusion of the CFE I (Conventional Forces in Europe I)?

Answer. Recent changes in the Warsaw Pact have been encouraging and have established a context permitting true progress in arms control. A successful agreement promises parity at lower levels for the key armaments which seize and hold terrain and the helicopters and aircraft which support the ground forces. The agreement will also significantly reduce the levels of U.S. and Soviet troops in Central Europe. We fully support the President's proposal for a CFE agreement by the end of 1990.

Question. Assuming the NATO proposal was accepted by the Warsaw Pact, over what period of time would the force reductions take place?

Answer. Recognizing the magnitude of the task before the two alliances, NATO has proposed a reduction period of three years with certain percentages of destruction required at the end of each of the first two years.

Question. Comment in general and provide details for the record on the projected savings that would accrue—by year—from the implementation of the CFE talks. In providing the detailed cost savings, please assume that the troops withdrawn under the CFE agreement are deactivated.

Answer. The FY 1991 request reflects initiating general manpower and force changes resulting from the political changes in the Soviet Union and Eastern Europe but makes no specific assumptions as to magnitude of any savings or timing of changes associated with the potential signing of the Conventional Forces Europe (CFE) treaty. Information will be made available as soon as possible after the implementation issues are resolved. The timing of the drawdown, the disposition of equipment, European bases and facilities as well as the size of the U.S. military and civilian force structure after CFE are critical issues that must be decided before an estimate of savings can be made.

Question. According to the Office of the Secretary of Defense, the savings that would accrue from withdrawing 100,000 troops from Europe and separating those troops from the service would be:

Outlay savings of \$1.1 billion in the first year.

Outlay savings of \$4.8 billion in the second year.

Do you concur with those figures?

Answer. I do not have the information necessary to comment on the figures cited and am unaware of any OSD cost saving calculations related to troop reductions in Europe.

Question. There is a possibility of a mindset or expectation on the Hill that CFE will include a post haste pull out of 80,000 troops

from Europe. I fear, in this budget environment, people may seek to cut the budget as if these troops are coming home all at once, right away. How will a CFE "drawdown" occur?

Answer. I believe we can reasonably expect to complete the drawdown within about three years of its start date. This period of time will allow us to resolve personnel concerns resulting from large reductions in force and the issues which must be addressed with our host states. We should drawdown at a pace proportional to that of the Warsaw Pact with both sides reaching parity levels in the treaty limited equipment at the same time.

Question. In your judgment, could the U.S. prudently, within the CFE framework, withdraw the 80,000 troops in question in one year? What would your reaction be if Congress mandated such a rapid withdrawal and reduced the budget accordingly?

Answer. A withdrawal of 80,000 troops in one year would create a window of NATO vulnerability while numerically superior Warsaw Pact forces are being reduced, probably at a much slower rate. A withdrawal of this magnitude in such a compressed period would also be disruptive. Contracts, agreements, and other commitments which have been made with host nations, businesses, labor unions, and individuals over the past four decades must be terminated or otherwise modified. We must also make our reductions so as to minimize disruptions to the lives of 80,000 soldiers, airmen, and their families.

[CLERK'S NOTE.—End of questions submitted by Mr. McDade. Questions submitted by Mr. Livingston and the answers thereto follow:]

ARMY HELICOPTER OH-58D DEVELOPMENT PROGRAM

Question. Given the future troop strength reductions are likely and that the need for rapid deployed forces will be even more critical, explain how the AHIP system fulfills the rapid deployment requirement?

Answer. The AHIP can be rapidly deployed using Military Airlift Command aircraft to any region in the USEUCOM Area of Responsibility with a suitable airfield. For example, 13 AHIPS can be carried in the C-5A after the helicopter rotor blades are folded for shipment. Once on the ground, the OH-58D helicopter can be assembled in 30 minutes to 1 hour and prepared for combat operations. Longer term combat operations would require additional supply support, but this support can be easily organized and quickly transported to an austere site.

Question. We have just seen how important night operations were in operation JUST CAUSE. How does the AHIP fit the role of a night fighter?

Answer. In order to counter the evolving threat to Army aviation, the Army developed doctrine to operate at night. The OH-58D helicopter was improved as a result of this doctrine and demonstrated its effectiveness at night in the Persian Gulf. The navigational and visual illumination systems allow the AHIP to seek out and designate an enemy which otherwise would be relatively safe at night. The OH-58D helicopter is well suited as the Army's premier aviation night observation platform. The AHIP will be fur-

ther improved next fiscal year by arming the aircraft to increase survivability and night fighting capabilities.

[CLERK'S NOTE.—End of questions submitted by Mr. Livingston. Question submitted for the record and the answer thereto follow:

CINC INITIATIVE FUND

Question. In fiscal year 1990, Congress appropriated \$50,000,000 for a CINC Initiative Fund. These funds are in addition to those already requested in the budget and were to be available for high priority readiness and sustainability needs of the various CINCs.

Have you requested any of these funds? If so, how much and for what purpose?

Answer. I submitted a request to the Chairman, Joint Chiefs of Staff for \$22,935,000 to fund 11 programs in the areas of training and command, control, and communications (C3). However, only one of my programs was approved by the JCS—Cruise Missile Support Activity (CMSA) computer hardware for \$2 million. Subsequently, CMSA computer hardware became ineligible for this funding when OSD tied fund procurement qualifications to law that eliminates the use of O&M funds for procurement of items over \$15,000 each.

[CLERK'S NOTE.—End of questions submitted for the record.]

WEDNESDAY, FEBRUARY 28, 1990.

**COMMANDER IN CHIEF, UNITED STATES TRANSPORTATION
COMMAND**

WITNESS

**GEN. HANSFORD T. JOHNSON, U.S. AIR FORCE, COMMANDER IN CHIEF,
U.S. TRANSPORTATION COMMAND**

INTRODUCTION

Mr. MURTHA. The committee will come to order.

We want to welcome General Hansford Johnson, Commander in Chief of the U.S. Transportation Command, to his first appearance before the committee. If you will summarize your statement, your entire statement will appear in the record.

SUMMARY STATEMENT OF GENERAL JOHNSON

General JOHNSON. Yes sir.

I am pleased to be here to discuss mobility before this committee. Our country is an island nation. In the 19th Century, the oceans protected us. Now, as we want to project power around the world, the oceans become an obstacle to our forward defense. As we withdraw our overseas troops, we will become more dependent on our mobility assets. In fact, the forces that we have in the CONUS will be hollow no matter how good they are, unless we have the mobility forces to move them to the right place at the right time.

MISSION OF THE TRANSPORTATION COMMAND

In the Transportation Command we have many challenges for the 1990s. In the past, we focused on Europe, with interest in other areas. We will now emphasize our focus on a global basis. Over the past 40 years, we have had 90 conflicts around the world that claimed 16 million lives, and we expect these conflicts to continue not only in Europe but around the world. In fact in the 40 years of peace in Europe, this has gone on around the world.

As you know, the Third World is gaining more sophisticated weaponry. They have ballistic missiles, chemical weapons are common place, and, even nuclear weapons in some of the smaller countries. The threat might be less, but our challenge to respond is just as great.

The U.S. Transportation Command must be able to project our forces in a timely and efficient manner. Our command is dependent upon active forces, reserve forces, and the commercial sector. We depend on the commercial sector more than any other command. I believe it is the way to go, and it is certainly a bargain for the American people.

This afternoon I would like to talk about four subjects, people, the maritime industry, airlift, and command and control of our transportation assets.

PEOPLE

Our most important asset is our people. We certainly need to provide them good equipment, but our people are what makes it happen. Back in 1973 we decided, as a nation, to go with an all volunteer force. At that time we committed to our people to provide them a comparable way of life, comparable pay, quality facilities and quality life and also, job security that they would find on the outside.

MARITIME INDUSTRY

Turning to the maritime industry, we are a maritime nation, but over the years our maritime industry has declined. We have decreased from 29 major shipyards to six, from 29 liner companies to six and from 893 ships in 1970 to 424 in 1989. I believe, as an American, as well as the Commander of the Transportation Command, that we need to revive the maritime industry. Last year we made a step forward with the national security sealift policy, but there is a lot to be done to implement that policy.

There are many laws and regulations that have crept into the maritime industry over the years that made sense when they were placed on the books that are now outdated and often counterproductive. Our maritime assets will move the vast majority of our equipment to the various areas of the world. We will move 95 percent of our cargo, dry cargo, by ship in a large conflict and 99 percent of the petroleum. So the maritime industry and sealift is the major carrier for our nation. Just as importantly is the economic impact in peacetime. We now transport only 4 percent of our export/import trade by U.S. carriers. If we do not reverse this trend we may be vulnerable to an economic boycott.

OPERATION JUST CAUSE

But I am concerned about a balance in mobility, and the other over-the-ocean carrier is airlift. It provides a fast, highly flexible leg and it provides global deterrence by just having it. Our airlift was the key to success in Operation Just Cause. Within 36 hours we moved 9,500 troops and shortly thereafter, another 2,500 or 12,000 in rough numbers, in a very short period of time.

This was the largest air drop that we have had since the Normandy invasion on D-Day. I didn't realize that when we were planning it, but the Army tells us it was the largest one since then. We are able to react very quickly to a deteriorating situation, capitalize on surprise, and succeed by arriving with an overwhelming force very, very quickly.

But our success shouldn't mask the realities of our decreasing airlift capability. Panama was closer to Miami than the distance from New York to Miami, and had a secure base with another 12,000 or so troops on the ground and a lot of equipment.

AIRLIFT

Our airlift fleet is facing block obsolescence. Our C-141s and C-5s are built with 1950s and 1960s technologies. The C-141 was designed for airliner type operation, not designed for low level and air refueling. We have stretched it and installed an air refueling receptacle on it and we have found we have to fly at low levels to survive in some situations, so the C-141 fleet is rapidly running out of useful life due to this increased wear and tear.

The C-17 is built to do these missions. It has the outsize capability of the C-5. It has the austere operating capabilities of the C-130. It can carry almost all the same cargo as the C-5 at half the cost per ton mile. Our first prototype is under construction and proceeding very well.

There are a few challenges. I think you have watched that program very well, Mr. Chairman. We have corrected most of the problems, have a solution for those we have not corrected, and I was out just two weeks ago, and Douglas has put together a production team that comes from throughout the industry. The head production person built the last C-5, so the whole industry I think is pulling together and I believe that program will work very well.

TRANSPORTATION ASSETS

The last area I wanted to cover was our need to integrate our transportation assets. We, over time, have built various modes, but we haven't done a very good job of integrating from origin to destination. We have a push system, where we push in supplies and equipment from one end and they come out the other. We are working very hard, first of all, to select the most efficient way to move equipment, but then, secondly, to have in transit visibility so that we know where it is and can change destinations as circumstances require.

As we speak, in Korea, as part of Exercise Team Spirit, we are working an in-transit visibility prototype system that pulls together data not only from Service sources but also from the industry. American President Lines and SEALAND, are also participating.

It moves us from the study area into the 21st Century. The difference for economic and political well being, can only be assured through a strong, flexible and capable defense transportation system.

It is a great honor to be with you today, and I look forward to answering your questions.

[The statement of General Johnson follows:]

UNITED STATES
TRANSPORTATION COMMAND

PRESENTATION TO THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE
UNITED STATES HOUSE OF REPRESENTATIVES

STATEMENT OF
GENERAL HANSFORD T. JOHNSON
COMMANDER IN CHIEF
UNITES STATES TRANSPORTATION COMMAND

Not For Publication until Released
By The Committee On Appropriations,
Subcommittee on Defense
United States House of Representatives

28 February 1990

INTRODUCTION

Mr. Chairman and distinguished members of the committee, I appreciate this opportunity to appear before you to discuss an issue of increasing military importance in our rapidly changing world: Mobility.

The United States enters the decade of the 90s facing revolutionary changes in international geopolitics. The remarkable events sweeping Central Europe are a clear victory for Western postwar policy and offer unprecedented opportunities for Soviet Bloc nations to enter an era of self-determination. As with all change however, these events portend a period of uncertainty and significant instability. Events in Central Europe notwithstanding, nations today are still at odds over ideology, values, and economic interests. The United States will best be prepared to prevent military adventurism in Europe and around the world only if we maintain a credible deterrent posture, made possible through a strong alliance system and global military capabilities. Strategic mobility lies at the heart of a credible deterrent force. for without an adequate ability to project our forces, there is no conventional deterrent. This basic tenet was ably demonstrated during the recent operation in Panama, JUST CAUSE. Important to the success of that operation was this country's ability to rapidly deploy diverse forces to the right place at the right time. The orchestration of that effort relied heavily on an integrated,

joint approach to planning and execution, and strategic lift translated success on paper to success on the battlefield. The story might have been quite different if this operation had not been supported by highly trained and well led active and reserve component forces who were ready, at a moment's notice, with modern well maintained organic equipment, to defend our national interests. We have learned the lessons of the past well. The investment this nation has made over the past ten years in developing a flexible, responsive military force is paying off. We must never go back to the hollow defense of the late seventies.

MISSION

It is my responsibility as Commander in Chief of the United States Transportation Command to provide all theater CINCs with the global air, land, and sea transportation they need to maintain a strong deterrent posture and protect U.S. interests worldwide. The United States Transportation Command is responsible for the operation of the three primary transportation modes, the transportation aspects of worldwide mobility planning and refinement, administration of the joint deployment system and the integration of the information systems which serve the mobility community.

ORGANIZATION

To accomplish our mission, USTRANSCOM is comprised of a small headquarters staff and three component commands: Military Airlift Command (MAC), Military Sealift Command (MSC) and Military Traffic Management Command (MTMC). The Military Airlift Command, the largest of the components, is responsible for all global airlift operations. MAC has nearly 90,000 active duty military and civilian personnel. When fully mobilized, MAC would gain another 27,000 Air National Guard and 48,000 Air Force Reserve personnel.

The Military Sealift Command provides common-user shipping for DOD and has 7,000 active duty military and civilian personnel, as well as over 2,200 Merchant Mariners under contract for a total of over 9,200 personnel in peacetime. When fully mobilized, MSC would gain an additional 1,700 men and women from Reserve units.

The Military Traffic Management Command manages all common-user ports, intermodal movements and CONUS land transportation. MTMC has 4,000 military and civilian personnel in peacetime and when fully mobilized, would gain an additional 1,921 Reserve personnel. In total, the USTRANSCOM organization consists of over 103,000 men and women during peacetime, with mobilization adding approximately 78,000 from the Reserves and National Guard.

USTRANSCOM also relies heavily on the civilian transportation industry. The Civil Reserve Air Fleet now provides more than 50 percent of the cargo and passenger aircraft available during a national emergency. U.S. flagged merchant ships provide the majority of our total sealift capability with the remainder provided by government owned ships. All our sealift ships, both civilian and government owned, would be operated by U.S. civilian merchant mariners. These programs and DOD's virtual 100 percent reliance on commercial rail and motor transportation combine to provide over 85 percent of this nation's total lift capability. Because they are such an important part of our total force, USTRANSCOM remains vitally interested in the health of the civil transportation industry.

THE THREAT

The efforts of all the men and women of USTRANSCOM are directed toward supporting our national objectives. While the remarkable events in Central Europe have focused this nation's attention on Europe and the Soviet Union, we must not forget our worldwide responsibilities. We live in an uncertain, changing world. We must not overreact to an unknown future by dismantling the defense strategy which is in large part responsible for the positive events unfolding today. Although the likelihood of direct military confrontation with the USSR appears greatly reduced, Soviet combat capability remains formidable--and the Soviet Union is only one part of the worldwide threat. As the

Cold War draws to a close, the world is moving toward a potentially less stable geopolitical environment. According to a Commission on Integrated Long-Term Strategy report published in January 1988, those countries in Asia, the Middle East, Africa, Latin America, and the Eastern Caribbean which make up the Third World have been involved in more than 30 limited conventional and 60 unconventional conflicts over the past 40 years. In addition to the estimated 16 million lives lost in such hostilities, we can add the undetermined toll exacted by terrorism and other forms of political violence. It is improbable that the United States, in pursuit of its national objectives, will escape involvement in future strife. We must, therefore, maintain the capability to strike swiftly, at the time and place of our choosing, with overwhelming force, in order to minimize our losses and ensure success. These emerging threats will likely be smaller in scope than those represented by the Soviet Union, but will pose tremendous challenges to our ability to respond. Such threats may develop quickly with little warning, compressing available action time. They will likely develop in areas where we have little infrastructure, at great distances from the continental United States. All these factors will impact on USTRANSCOM and our ability to provide timely force projection. Withdrawal from overseas theaters in response to the changing threat in Europe will require an increasingly flexible, balanced, and responsive mobility structure to meet new challenges.

THE STRATEGY

To counter these threats, our national military strategy has at its roots three fundamental components: the maintenance of a credible deterrent through forward presence; the ability to ensure our access to strategic materials and world markets; and the need to meet allied commitments. This strategy has served us well for nearly half a century. I agree with those who urge prudence in modifying a system that has been so successful.

OUR OBJECTIVE

USTRANSCOM's objective in the furtherance of this strategy, put succinctly, is to support the strategic lift requirements of the theater CINCs. Those requirements are articulated through the process of building and refining operations plans. The success of those plans, the ability to fight and win, is in part dependent on our ability to project U.S. forces to any theater of conflict. A shortfall in strategic mobility assets equates to a reduced combat capability and deterrent posture. We must maintain the ability, through adequate resources and training, to meet our national security requirements.

OUR CAPABILITIES

Ultimately, it is not equipment which will preserve our freedom --it is the individual will, spirit and innovation of our people. In his former role as commander of the largest command in the DOD, Forces Command, the Chairman of the Joint Chiefs of Staff, General Colin Powell, stated, "It is my view that programs necessary to maintain and support quality soldiers have to remain, above all, our top priority." I heartily support that position.

In this age of high technology and ever increasing weapon system sophistication, the American service member remains the cornerstone of a viable military force. Modern technological advances have resulted in lower manpower requirements but, at the same time, have led to the need for a higher quality individual to operate and maintain new systems. This quality of individual can be found throughout the United States Transportation Command; they are the foundation of our war-fighting and readiness capability.

Today the theater CINC's requirements for manpower, materiel and the strategic lift to move them are being reevaluated. Fiscal realities have forced us to apportion available assets to ensure we maintain a balanced lift capability, and will continue to do so. With the formation of USTRANSCOM, there is now a unified command with direct responsibility for ensuring the theater

CINC's plans are executable from a transportation perspective. From the very beginning, as a theater CINC develops a concept, USTRANSCOM is there to advise on its transportation feasibility. As the concept evolves into an actual plan, USTRANSCOM provides advice as forces are assigned and strategic lift requirements are quantified. Thereafter, if the determination is made to execute a plan, USTRANSCOM will provide traffic management expertise to ensure forces and equipment are moved in a timely manner, consistent with available resources, from their home station through selected ports of embarkation and delivered to the supported CINC.

To carry out their missions, our components rely on the readiness of three distinct elements: active duty personnel, reserve forces and the civil sector. All three, in balance, are essential to the performance of the transportation mission. The readiness of these elements is directly linked to the daily activity level within the transportation system. The tempo of MAC's flying operations; MSC's steaming operations; and MTMC's air, truck, and terminal operations are directly dependent on service transportation funding, since it is those funds which pay for our operations. Every peacetime DOD dollar spent on transportation hones our ability to project the force. When service transportation budgets are reduced, the result is a real loss of military transportation system readiness.

OPERATIONAL CHALLENGES

Sealift

In any major overseas deployment, sealift will deliver approximately 95 percent of all dry cargo and 99 percent of all petroleum products. The sheer magnitude of the capability represented by modern oceangoing vessels makes strategic sealift a critical link in strategic mobility. Today the United States has fewer than 400 dry cargo ships in its national pool. Our unilateral capability continues to decline despite significant accomplishments in government and maritime industry cooperation, and the signing of the National Security Sealift Policy. The continued erosion of our sealift capability is a national problem which poses a significant threat to the security of this country. Without an adequate sealift capability, unilateral military actions may not be feasible, while alliance actions and a credible deterrent posture would be weakened. Although mobility studies and expert opinion vary on the actual sealift requirement, and on our capability to fulfill that requirement, the consensus invariably points to one conclusion--our maritime fleet and its supporting industrial base are steadily declining.

Over the last year, a great deal has been accomplished in an effort to reverse the decline of the U.S. maritime industry. The National Security Sealift Policy has been signed by the President. This policy is providing the focus for a coalition of

leadership in the Department of Defense and civilian industry who are addressing this decline. Industry and labor have never been more willing to work together to achieve a common goal.

The National Security Sealift Policy enacted last October establishes the foundation upon which we must build a comprehensive program for revitalizing the maritime industry. The Department of Transportation and the Department of Defense are currently working on just such a program. The National Security Sealift Policy establishes our government's goal to ensure adequate sealift resources are available to meet national economic and security requirements. I fully support this theme.

Even though our defense policy relies on contributions of both U.S.-owned and allied shipping resources to meet strategic commitments, we must be prepared to respond quickly and unilaterally to security threats in geographic areas not covered by alliances, and to threats which fall below the requirement for full mobilization. Examples include operation GOLDEN PHEASANT, 1988's movement of forces to Honduras, and operation NIMROD DANCER, the movement of forces in and out of Panama in the wake of election violence.

The 8 fast sealift ships operated by MSC, which are commercial container ships modified in a roll on/roll off configuration, and the Ready Reserve Force (RRF) provide the immediate assets available to meet unilateral and surge shipping requirements.

The RRF is currently composed of 95 militarily useful and specialized vessels maintained in a 5, 10, and 20 day activation status. The fleet is programmed to grow to 105 ships in FY91. The growth and modernization of this fleet was jeopardized when Congress cut 63 percent from the FY90 RRF budget request. Budget authority for this important force in reserve has recently been reclassified as a defense related item. I urge your full support for this program.

The National Defense Reserve Fleet is a source of sustainment shipping and attrition fillers. However, over half of this fleet is comprised of World War II vintage vessels, primarily Victory class ships, whose condition continues to erode while in storage. At the same time, we are concerned about predictions of a decline in the number of militarily useful ships in the Effective U.S. Controlled Fleet. This fleet is susceptible to many of the same economic pressures affecting the U.S. flag fleet. Current information indicates that some ship owners are selling out to their foreign partners, further reducing our available sealift assets. All of these trends will result in our continued reliance on NATO allies to meet rapid reinforcement plans for Europe, and a decreased ability to meet unilateral sealift requirements.

Solutions to the decline of our merchant marine are elusive and complex. They begin with our acknowledgment, embodied in the National Security Sealift Policy, that sealift is essential to our national security and economic freedom. I urge your continued support of this important capability.

Airlift

Strategic airlift is the single element of mobility which provides this nation with the ability to project force in the critically important early days of a conflict. When rapid reinforcement and timely arrival of supplies are absolutely necessary, there is no substitute for airlift. MAC's current airlift capability combines active duty forces; Air Force Reserve; Air National Guard; and Civil Reserve Air Fleet personnel, aircraft and equipment into a national airlift force. Our nation calls upon this force in varying degrees to meet peacetime, contingency, or wartime requirements.

The workhorse of our organic strategic airlift capability is the C-141 fleet which last year flew nearly 271,000 hours supporting such diverse missions as combat airdrops in operation JUST CAUSE and humanitarian airlift of supplies to the Caribbean after hurricane Hugo and to earthquake victims in Soviet Armenia. On any given day 70 to 75 percent of the fleet is committed to airborne operations. Originally entering the inventory in 1963, these airlifters are rapidly reaching the end of their service

life. Hastening the aging process of these aircraft was the need for an aerial refueling capability and an increased use in the low altitude airdrop role. Both of these missions have resulted in more rapid fatiguing of the C-141 airframe. In an effort to limit the impact of this trend, MAC has been forced to eliminate some training requirements in an effort to prolong the C-141 structural life, thus maintaining a viable strategic airlift force. However, these measures are temporary at best and will ultimately reduce our combat effectiveness through a shortage of specially trained crews. The wing cracks must be fixed! Currently there are several options being studied which will not only fix the cracks but upgrade the C-141 as well, extending the life of the aircraft. Though some may find service life extension an attractive option, in my opinion it is not cost effective and does not address the real need for fleet modernization. These measures represent, at best, a short-term effort which will not adequately bridge the gap between our current capability and the fielding of the next generation airlifter. The airlifter of the future will need to be more flexible, able to operate in the austere environment of short, semi-improved fields, delivering cargo directly to the battle in an increasingly complex threat environment. The C-17 is that airlifter. The multi-role abilities of the C-17 will allow it to swing from its primary role of strategic airlift to the theater airlift role. This modern airlifter will be capable of moving large quantities of munitions, fuel and outsized cargo directly

to forward areas. This additional capability will be realized with lower manpower requirements and dramatically reduced operation and support costs when compared to our current fleet. The C-17 will form the cornerstone of our future strategic airlift capability.

As the worldwide threat evolves and our forces are restructured to meet that threat, I firmly believe the need for more responsive, flexible lift will play an expanded role in U.S. military strategy. Congressional support for the C-17 has been strong in the past. I urge you to continue that support.

Prepositioning

Although not under USTRANSCOM's control, we also support the Navy's Afloat Prepositioning Fleet, the Marine Corps Maritime Prepositioning Ships, and the Army's Prepositioning of Materiel Configured to Unit Sets (POMCUS) program. All of these initiatives reduce our requirement for lift. Every ton of materiel prepositioned in theater is one less ton we have to move to that theater with our limited strategic lift capability. Prepositioning is not, however, a panacea to make up for limited mobility assets. We must ensure our prepositioning and airlift forces remain in balance. Both our land based and sea based prepositioning programs require airlift to transport the personnel and additional equipment needed for units to become

operational. Our ability to rapidly deploy forces worldwide, or to rapidly return forces to Europe, is significantly enhanced by balanced airlift and prepositioning programs.

Mobility Management

Near term improvements in mobility will not likely come from bigger, faster vehicles but from improvements in our ability to manage the assets we have. USTRANSCOM is exploiting this reality by developing an integrated command and control network.

Command, Control, Communications and Computer (C4) Systems are vital to the success of this command. All the lift capability in the world will not solve our strategic mobility problems if we are unable to direct and control it. Proper command and control allows us to tie together diverse lift capabilities to better support the theater CINCs.

Rapid advances in communication and computer system technology have produced an explosion of information capability for the commercial transportation industry. Currently, the industry is focusing on flexible sharing of information for intermodal management and tracking of vehicles and cargo. USTRANSCOM is drawing upon this technology, integrating it within the military transportation system.

The command has developed its C4 System Master Plan which provides the direction for development and use of C4 systems. This plan has already identified a baseline of C4 systems that provide functional support to independent groups of users. To hold costs to a minimum, we are capitalizing on these existing systems to provide a "network of systems" known as the Global Transportation Network (GTN). This network will allow users to access needed transportation information from existing private sector and DOD data bases. We are now testing this concept in the Pacific and European theaters with a GTN prototype using commercial technologies. An operational prototype will be fielded by the end of FY90.

Currently USTRANSCOM's ability to support peacetime contingency operations is hindered by a lack of automated tools to develop closure estimates and closure profiles for the theater CINCs. The Joint Operation Planning and Execution System (JOPES) will fill this critical gap, moving us out of the stubby pencil mode, dramatically improving our ability to plan and execute contingency operations. When final operational capability is achieved, the GTN will provide accurate and timely information to JOPES; which plays a critical role in the command and control of mobilization, deployment, employment and sustainment of forces. Your continued support of our C4 system programs will ensure these sorely needed capabilities will be fielded.

GOLDWATER-NICHOLS

The committee has requested I address the implementation of the Goldwater-Nichols Reorganization Act. Although USTRANSCOM was not formed as a result of this legislation, I have benefited as a supporting CINC. My involvement in the Defense Planning and Resources Board process gives me the needed forum to voice concerns and state requirements. As a result of this process, there are currently no deficiencies in my ability to provide support for the theater CINCs which are not being addressed by the Services. The DOD reorganization has also resulted in an improvement in the quality of officer seeking a joint duty assignment to my headquarters. I believe Goldwater-Nichols is having a positive impact on how we do business.

CONCLUSION

Mr. Chairman, thank you once again for the opportunity to provide the committee my views on the United States Transportation Command's contribution to mobility and rapid reinforcement. I believe our current and future military strategies will require additional, more flexible mobility assets to ensure their success. This nation stands to benefit greatly from the integrated approach to transportation represented by USTRANSCOM. In two short years, this Command has forged new, stronger bonds between the members of the joint deployment community. Through this robust new relationship, we have instituted programs and

procedures which markedly increase the effectiveness and responsiveness of the Joint Deployment System. The recent PROUD EAGLE 90 worldwide mobilization exercise demonstrated unequivocally that the coalition, now anchored by USTRANSCOM, of the three transportation operating agencies, the CINCs, the Services, the Joint Staff, commercial industry and federal agencies has greatly improved this nation's ability to mobilize for war.

As we look to the future, we see continued integration of the functions that comprise our military transportation system. We are working to provide the theater CINCs and Services with a single point of contact for all their transportation needs, peace to war. The synergistic effects of a fully integrated transportation system would be truly impressive. Such an organization could provide real origin to destination visibility over men and materiel moving within the system, minimizing the inherent turbulence when transitioning from peace to contingency to war. The increased economic leverage, lower overhead and simplified planning and execution of transportation requirements will help ensure this nation full productivity from every defense dollar spent on transportation.

The goal of USTRANSCOM is to support this nation's credible deterrent posture with a transportation system capable of projecting our forces anywhere, anytime. With the support of the Administration and you, the members of Congress, we will maintain the flexible, balanced and responsive mobility system so critical to achieving our national objectives.

OPERATION JUST CAUSE AIRLIFT

Mr. MURTHA. We have a paper that talks a little bit about the lift that you used and the breakdown for "Just Cause", so we will put that information in the record.

[The information follows:]

Operation Just Cause Airlift

Background: Operation Just Cause began on 1/ Dec. Following is a review of MAC airlift and special operations support. (Information is current as of 24 Jan/0100Z).

Discussion:

- Following is a breakdown of MAC airlift missions flown to date:

	<u>C-130</u>	<u>C-141</u>	<u>C-5</u>	<u>COMM</u>	<u>TOTAL</u>	<u>PAX</u>	<u>S/TONS</u>
Pre-H Hour Deployment	7	21	14	-	42	2,212	1,223.8
H-Hour Employment	21	63	2	-	86	3,879	539.0
Follow-on Deployment	29	222	107	-	358	17,705	12,365.9
Redeployment	<u>2</u>	<u>108</u>	<u>38</u>	<u>8</u>	<u>156</u>	<u>7,964</u>	<u>3,688.5</u>
Total Airlift	59	414	161	8	642	31,760	17,817.2

- During the period of 17-26 Dec MAC provided the following additional airlift by category:

	<u>C-130</u>	<u>C-141</u>	<u>C-5</u>	<u>Total</u>
Channel	129	344	55	528
SAAM	80	130	94	304
JA/ATT	<u>66</u>	<u>11</u>	<u>8</u>	<u>85</u>
Total	275	485	157	917

- During this same period (17-26 Dec) we maintained 100 percent commitment on the MAC fleet. Approximately 60 percent of the fleet was committed to Just Cause.
- During this period (17-26 Dec) MAC had 70 mission shortfalls (34 channel, 13 SAAM, 23 JA/ATT). Additionally, 172 local training missions were not flown.
- 23 AF provided, and continues to provide, the following employment assets as follows:

Aircraft in Theater

	<u>H-Hour</u>	<u>24 Jan</u>	<u>Msns Flown</u>
AC-130	7	4	116
HC-130	7	1	51
MC-130	3	0	12
MH-60	4	4	314
MH-53	<u>5</u>	<u>0</u>	<u>121</u>
Total	26	9	614

- 23 AF assets, particularly the AC-130, played a pivotal role in Just Cause. Their timely suppression of ground threat, and deployment and repositioning of forces by helicopter, and tactical insertion of mission support for the Rangers were critical to overall mission success.
- 100 percent of the active duty AC-130's and 80 percent of the CONUS-based MC-130's were committed to H-Hour operations.
- 23 AF forces continue to provide excellent SOf support to CINCSOUTH with on-call forces in theater.

C-17 PROGRAM

Mr. MURTHA. Tell us about the C-17 program and where we are in that program.

General JOHNSON. Sir, the program, as you know, we had planned to have first flight test of this year. We have slipped that until June of next year. There were three challenges, as I see them—four actually.

One was the flight control computer.

Mr. MURTHA. That is what we call software?

General JOHNSON. Yes, sir.

Two of those are software problems. First, the flight control computer is an electronic flight control system. When we started out there was an electro-hydraulic system and the Honeywell Company was selected as the subcontractor. When Douglas changed to the electronic, Honeywell had difficulty. They have since changed the contractors. Now General Electric has the contract and is I believe two months ahead of where they would be on a new schedule, and we don't see that as a problem.

The second area is what is called the mission control computer. That one is working well. The solutions are in hand. It is not in quite as good a shape as electronic flight control, but we don't see that as delaying the program. Delco and other parts of the McDonnell-Douglas Company are working hard to accelerate that.

When I was there a couple of weeks ago the software was to arrive two days later. It arrived the night before, so we are inching up on that one.

The last two have to do with actually putting the airplane together. All modern airplanes are built by many people. The management of the subcontractors to get the parts in time to install them on the line has been a challenge. I believe I said in my opening comments now that the second challenge is actually bolting it together. We have gotten a team of experts from throughout the industry—

Mr. MURTHA. You are ahead of me. I thought the wings were a problem. You have got the wing situation settled now and you are ready to bolt the wings on?

General JOHNSON. Yes sir. The wings will move today or tomorrow from its jig. When I was there—the lap wing on the center is made different from others. It is made as a total wing, and when they lift it, it will be a complete wing. This one was being tied together at the lap joint on the 13th when I was there, and I am told it will move today or tomorrow and will actually be mated with the fuselage within a week.

The wing problem is a little bit of a misnomer. I am not in Douglas' business, but this is my understanding of it. They had a contractor contract with a subcontractor, another aerospace company, to do the wing. That subcontractor had eight packages of work that had to be done to build the wing.

The subcontractor and Douglas could not come to business terms on lot 3. Of the 8 packages required to build a wing, 4 of them have been let to the same subcontractors as had been previously involved in the work. Those contracts have been negotiated and are on going. As I understand it, this was a mutual agreement between

Douglas and their subcontractor. Those four are being worked by the same people today and those contracts have been negotiated and are ongoing. The last four packages, I am told that Douglas will have those negotiated before the week is out. We don't see any delay in that at all. It was strictly a cost of doing business situation, no technical problem.

Mr. MURTHA. So you are talking about a year from now the plane will be flying?

General JOHNSON. Yes, sir. They have signed up to June. They believe they can beat that by a couple of months.

Mr. MURTHA. What is the priority for the C-17?

General JOHNSON. Well, my number one priority is integrating our mobility assets today. That is the number one priority. As far as new equipment is concerned, the C-17 would be the highest priority on buying new equipment.

Mr. MURTHA. Mr. Young.

ARROW AIR CRASH IN GANDER, NEWFOUNDLAND, DECEMBER 1985

Mr. YOUNG. Mr. Chairman, thank you.

General, the issue of the Gander air crash has been with us for quite a long time—since 1985. There are five families in my district who had loved ones, sons, on that airplane. We are concerned about some of the discrepancies that we believe exist in what we are being told by the Canadians and the Transport Ministry of Canada. We are concerned that the decision or the opinion that was finally rendered was not unanimous, that there were those who thought that icing on the wings was the cause of the crash, and that there were others who thought that it was probably caused by a bomb on board the airplane.

I don't know what the answer is and I am not going to pre-judge, but I think there have been enough questions raised that it deserves your response. In this regard I have also asked the GAO to work with me in conducting an investigation to determine to the best of their ability the truth about some of these questions. One of the reasons that we feel this way is that the Minister of Transport from Canada was in Florida, my home state, making a statement that the Gander investigation was closed and that all of the answers, all of the questions had been answered, and there was no question that the investigation was thorough. The same day he made that statement in Florida, one of the staffers on his commission which was investigating the crash commented in Canada that they thought the investigations were very poorly handled, and that they weren't sure the majority decision was the proper decision. I am paraphrasing.

First of all, General, give me your reaction to the investigation and what the majority of the board said, and what the minority of the Canadian board said.

General JOHNSON. Sir, I cannot add much to what you know. In fact, I couldn't add anything to what you know, because I know the same sort of things that you know. We, in our command, were not part of that investigation. What we were part of was the military support after the accident, but as far as the actual investigation

itself, of course the civilian authorities did that, and I could not add any useful information to that discussion.

Mr. YOUNG. Were they under contract to you?

General JOHNSON. No, they were not. They were under contract to the United Nations.

Mr. YOUNG. Because they were part of a peacekeeping force under UN auspices? But Arrow Air is a contractor that you contract with, is that right?

General JOHNSON. We did at that time. We have not contracted with them since then, but we certainly could. Now, at that time, they had been on the DOD list of approved carriers, so we could have used them. We did not.

Now, as a result of that, we have set up an air carrier survey and analysis office that goes out and looks at air carriers like Arrow and Hawaiian Air, or any carrier that is working with us, and we try to answer the safety questions. We look at their maintenance, their equipment, their training, and their operational techniques. So we have taken action as a result of the Gander accident and we certainly do functional checks on all of our flights from a safety standpoint.

So we have gained, we, the nation, and certainly we in the Transportation Command, have gained lessons from the Gander accident.

Mr. YOUNG. From the lessons that you learned, have you made any major changes in the way that you deal with the contractors or in the requirements that you have for the condition of their airplane? Have you made any changes, because of that?

General JOHNSON. Yes. In fact, we have placed several carriers, in non-use, made them not available for defense business. We have said that no one in the Department of Defense can fly on "X" airline until certain changes are made in the type things I mentioned, operational procedures, maintenance techniques and equipment, and the viability of the company. And we do that, and we have been upheld in court a couple of times because obviously it hurts a company when we make those adverse decisions from their perspective.

We believe they are proper from the national perspective.

Mr. YOUNG. Does Military Airlift Command do aircraft capability surveys on all airplanes that you may contract for or contract the use of?

General JOHNSON. Yes.

Mr. YOUNG. How often do you do that?

General JOHNSON. We do ramp safety checks at the gateways on a regular basis on all DOD scheduled charter international missions. I can provide for the record how often. We do surveys as required by public law, every two years or when a new carrier is coming on, or if a carrier has had some difficulties.

We have done that and have some in action today, as we speak. Now, these are never very popular and I suspect that members sometimes get complaints about us doing that, but I think it is the right thing to do for the country.

Mr. YOUNG. Do you conduct any similar analysis of the pilots and the crew of the aircraft?

General JOHNSON. Yes. We look at their training. We go to their simulators and watch them fly, and we actually fly on the airplanes with them. Now, we don't do that on every flight, but if a company is trying to get certified we do it, and we do it on an irregular basis otherwise.

Mr. YOUNG. Questions have been raised that in addition to the icing, the plane was overloaded and the weight wasn't balanced properly. Do you have knowledge on that?

General JOHNSON. I have no personal knowledge. I have read the reports. I have experiences in similar type flying and that possibility exists when you carry that sort of passenger.

Mr. YOUNG. Who has the final say on that? Is it the pilot, who has the final say on the loading, the weight, the balance, the way the loading is set up?

General JOHNSON. Yes, the operator and in this case, it ultimately would be the pilot.

Mr. YOUNG. One thing that led to the feeling on the part of some that there was a bomb on the airplane was the fact that shortly after the crash, an organization intercepted a message that was supposedly from a terrorist group saying that they had bombed the airplane. Are you aware of that?

General JOHNSON. I have seen it reported in the media but I have not seen any more than that.

Mr. YOUNG. Has MAC performed any surveys to ascertain how the contractor pilots actually determine their weight and balance?

General JOHNSON. I will have to provide that for the record, but knowing the type checks that we give, I would say so.

[The information follows:]

Yes, weight and balance procedures are a high interest checklist item for our survey officers. First, they refer to the company's FAA-approved operations specifications to determine the company's approved method of determining weight and balance. They then check for compliance, both by checking the flight papers from recent flights and evaluating procedures on the line.

Mr. YOUNG. On the same subject, while you are providing that you might tell me whether or not they are using actual weights or adjusted weights or average weights. It is my understanding they were using an average of 160 pounds per passenger. There were 60 or 70 pounds of baggage per passenger, but apparently the men were larger and the amount of gear they were carrying was larger than the estimate. I am curious whether or not they use actual weights or just estimates.

General JOHNSON. When we operate through a normal gateway we do actual weights. I will supply for the record on how we check out.

[The information follows:]

Most carriers are required to use actual weights for nonstandard groups, such as military movements. A few are authorized to use standard, average weights significantly higher than those encountered in normal scheduled service. In large part, the carriers are conscientiously complying with their approved procedure. There has been one case where a survey team determined the company was not complying. That carrier's use of artificially low standard weights was a factor in the suspension of that carrier from participation in the DOD airlift transportation program.

Mr. YOUNG. Have you established any new criteria for estimating weight and balance for the contractors?

General JOHNSON. I will provide that for the record. I think some, but I don't know.

[The information follows:]

MAC has included standard passenger and baggage weights in the international airlift contracts. The carriers are well aware of the figures. It's important to note, however, that these weights are used for mission planning purposes only. The carrier is required to use the procedures approved by the FAA for his operation. For non-standard groups such as ours, the weight and balance is normally calculated using actual weights, not a table of standard weights. Incidentally, we are told the FAA is in the process of developing guidance whereby all charter carriers could use an enhanced standard weight figure for troop movements.

GENERAL ACCOUNTING OFFICE REVIEW

Mr. YOUNG. It's my hope that you will work closely with the GAO team handling my request so that we compile the most accurate possible record of the circumstances leading up to this tragedy and subsequent investigation by your staff. As you know, the GAO already has done extensive work in studying the military air charter business and in March 1987 issued an extensive report making a number of recommendations to improve the safety of military charter flights.

One question raised during the investigation of the Arrow Air crash was the condition of the aircraft itself. This relates to a major finding of the GAO report regarding the frequency and thoroughness of MAC airlift capability surveys on all airlines and air taxi operators doing business with the Department. These surveys are performed by a MAC team that obtains factual information on potential airlift contractors' facilities, equipment, and capabilities to safely meet specific and unique military air transportation requirements. The 1987 GAO report recommended that MAC improve the airlift capability survey process by requiring discussions with pilots and other air crews and maintenance personnel and providing increased emphasis on evaluation of contract maintenance facilities and quality control. How often does MAC perform these capability surveys?

General JOHNSON. Congressman Young, before proceeding to respond to this and your other questions, it would be useful to provide you with a frame of reference in terms of background on what we have done since the Gander accident.

The oversight process that exists today is dedicated to safe, reliable contract airlift for the DOD. This is an important point because it addresses a key concern of yours. The military orders soldiers, sailors, airmen, marines, civilian employees, and their families to fly on DOD-contracted aircraft—and because of that, we have a special responsibility—we are our travelers' surrogate to make sure the airlines we use are safe and reliable. Under the Federal Aviation Act and long-standing practice, the airlines themselves are required to comply with federal aviation regulations. The FAA polices that compliance. We are a customer of that airlift system and have the right and the responsibility to use only air carriers which operate safely. In 1986, this committee included in the Defense Authorization Act, Public Law 99-661, amendment to Title 10, US Code Section 1204, which requires certain specifications related to safety in chartering passenger airlift for military

personnel. At approximately the same time, the DOD completed an internal review. The GAO report you cite was also accomplished in the same time frame. DOD Directive 4500.53 implemented the law by setting up a rigorous safety oversight process. That process contains four levels of review: the DOD Air Carrier Survey and Analysis Office, the DOD Commercial Airlift Review Board (CARB), the Joint Transportation Operating Agencies' Commanders, and the DOD Commercial Airlift Review Authority (CARA). I would like to briefly describe each level of review.

The cornerstone of our safety oversight activity is the DOD Air Carrier Survey and Analysis Office established under my command at Scott Air Force Base, Illinois. The staff there consists of highly experienced military transport pilots and maintenance officers and NCOs, as well as military and civilian analysts for operations, safety, maintenance, quality of service, and finance. The organization does just what its name implies. They conduct initial, biennial, and as-required surveys in which pilots and maintenance experts physically examine air carriers' operations and maintenance programs. The purpose of the survey is to determine if a carrier is fit to begin or to continue DOD business. We've completed over 230 surveys since 1986. For both continuous review and to complete the semiannual Performance Evaluations (PEs) required by statute, the analysis staff tracks FAA data, our own findings, such as ramp inspections, service quality issues, survey results as well as public and private financial data. The purpose of analysis is to look for systemic weaknesses in an airline and act before a problem reaches safety-of-flight proportions. We have now accomplished over 470 Performance Evaluations and are tracking 150 air carriers in this system today. This process is working very well. For example, last summer (1989) our analysts identified serious deficiencies in a carrier's financial status and maintenance activities. We sent one of our survey teams on-site and verified the analytical findings. We then took all our safety findings to the Commercial Airlift Review Board, or CARB, which placed the carrier in nonuse from the DOD Air Transportation Program.

The CARB is a special group of senior Air Force and Army officials, co-chaired by a general officer and an equivalent civilian from MAC and the Military Traffic Management Command (MTMC), respectively. The CARB considers and, when justified, decides on temporary nonuse, suspension, reinstatement, and appeals of air carriers considered to be unsafe for DOD use. The CARB convenes to make an immediate decision when any airline used by the DOD has a fatal accident or major incident, whether or not on military chartered flight at the time. It also convenes when the survey and analysis process identifies a potentially unsafe carrier and recommends nonuse. The carrier is, of course, given the opportunity to present evidence to the CARB. Since 1986, we have denied 20 carriers entry into DOD business and placed 27 carriers in nonuse for safety concerns; some remain suspended while others remedied their problems and were reinstated after convincing the CARB of satisfactory progress. Commanders of the Joint Transportation Operating Commands (MAC and MTMC) also play a key role in that they oversee the operation of the air carrier safety program and enforce compliance with all procedures.

The Commercial Airlift Review Authority or CARA is designed as DOD's court of last resort for air carrier appeals of our process, to make suspension decisions which the CARB might refer to it, and to consider overall DOD air carrier safety policy within the law. The CARA is chaired by the Deputy Assistant Secretary of Defense for Logistics, with members drawn from the senior civilian and military staffs of the Secretary of Defense and the military services.

There are other parts of our system, for example, our Preflight Safety Inspection Program. Experienced Air Force aircraft mechanics examine each aircraft scheduled for a DOD international passenger charter mission prior to departure. In addition, these same people inspect a sizable percentage of domestic military charters and nonscheduled international military charters. Additionally, we have an active Cockpit Observation Program. Our survey team pilots have FAA approval to perform cockpit observations of flight crews on selected DOD charter and public flights. The purpose is to make sure that the commercial crews use good airmanship procedures, follow checklists, and exhibit the discipline needed for safe operation. We completed 230 of these observations since 1986.

To answer your question of how often MAC performs these capability surveys, the DOD Air Carrier Survey and Analysis Office conducts on-site surveys prior to beginning business with a carrier and every 2 years thereafter. We also perform off-schedule inspections, if required.

Mr. YOUNG. Has MAC done any analysis to ascertain if the time frame between surveys is adequate?

General JOHNSON. Basically, the two year scheduling cycle is about right, when coupled with the table-top Performance Evaluations conducted every six months. We have an analysis office dedicated to this process that consists of six skilled analysts supported by a one-of-a-kind automated support system. This analytical process continually tracks the carriers and allows us to determine if more frequent on-site visits are necessary. We have occasionally placed some carriers on an annual rather than biennial on-site visit cycle and accelerated our visits to others.

Mr. YOUNG. Has MAC included the recommended discussions in their capability surveys and have they been documented?

General JOHNSON. Yes. Our survey checklists stipulate discussions with line mechanics and pilots. Our survey reports consistently refer to employee opinions about the quality of work and desirability of working for that carrier. Each cockpit observation report contains an assessment of crew demeanor and usually documents crewmembers' remarks about the quality of employment afforded by that carrier. Furthermore, interviews with line people are a method used by survey officers to determine the effectiveness of company training programs, the experience levels available, and the quality of management as shown in company inspection, evaluation, and reliability programs.

WEIGHT AND BALANCE

Mr. YOUNG. As we discussed earlier, one of the major problems that may have led to the Arrow Air crash was an inaccurate weight and balance calculation by the pilots. Part of the problem, I under-

stand, was that the personnel were not only good sized men, weighing far more than the usual 160 pound per passenger estimate, but each brought on board his full load of gear, including dress uniforms for the welcoming ceremonies at Fort Campbell. The plane was so heavy, that some cargo had to be left behind when the flight originated in Egypt.

MAC contracts provide that in figuring aircraft weight and balance, a standard body weight of 160 pounds should be used for every passenger. MAC contracts also provide for a limit of 70 pounds per passenger for checked baggage on charter flights. However, there are no provisions in the contracts for weighing carry-on baggage or equipment, which contributed to the Arrow Air problem. The contracts state that the airlift contractor may request actual passenger weights on a specific mission. According to the U.S. National Transportation Safety Board, the standard average passenger weight estimate, including carry-on baggage used by the flight crew, was lower than the actual weight of the passengers and carry-on baggage aboard the Arrow Air flight that crashed. It has been recommended that the Air Force establish a permanent policy on MAC's interim passenger and baggage weight criteria; direct the Commander of MAC to inform existing contractors of the interim passenger and baggage weight criteria; and include these criteria in any new airlift contracts. Has MAC performed any surveys to ascertain how the contractor pilots are determining their weight and balance. Are they using actual weights or adjusted average weight?

General JOHNSON. Weight and balance procedures are a high interest checklist item for our survey officers. First, they refer to the company's FAA-approved operations specifications to determine the company's approved method of determining weight and balance. They then check for compliance, both by checking the flight papers from recent flights and evaluating procedures on the line. Most carriers are required to use actual weights for nonstandard groups, such as military movements. A few are authorized to use standard, average weights significantly higher than those encountered in normal scheduled service. In large part, the carriers are conscientiously complying with their approved procedure. There has been one case where a survey team determined the company was not complying. That carrier's use of artificially low standard weights was a factor in the suspension of that carrier from participation in the DOD airlift transportation program.

Mr. YOUNG. Does MAC include checking the pilots' weight and balance calculations during a check ride?

General JOHNSON. Yes. Because our flights often consist of nonstandard groups, we view this area as critical to the safety of flight.

Mr. YOUNG. Has MAC established any new criteria for estimating the weight and balance; If so, has MAC informed the contractors of these procedures and included them in current contracts?

General JOHNSON. MAC has included standard passenger and baggage weights in the international airlift contracts. The carriers are well aware of the figures. It's important to note, however, that these weights are used for mission planning purposes only. The carrier is required to use the procedures approved by the FAA for his operation. For nonstandard groups such as ours, the weight and

balance is normally calculated using actual weights, not a table of standard weights. Incidentally, we are told the FAA is in the process of developing guidance whereby all charter carriers could use an enhanced standard weight figure for troop movements.

Mr. YOUNG. Has MAC performed an evaluation of how the airlift contractors are applying these revised criteria when it performs airlift capability resurveys of contractors' activities?

General JOHNSON. As stated previously, these weights are for planning purposes only—for determining fuel requirements, equipment requirements, and the like. Before the aircraft takes off, the carrier must calculate weight and balance in accordance with his FAA-approved procedures—and our evaluators check for compliance.

GOVERNMENT TRANSPORTATION

Mr. YOUNG. MAC's contracts with U.S. airlines and air taxi operators contain specific safety clauses in the general operational requirements sections. Prior to the air crash in December 1985 in Gander, Newfoundland, MAC's policy was not to include safety clauses in contracts with foreign airlift contractors. The absence of these safety clauses could reduce MAC's option to suspend service when MAC suspects or has been informed by the Federal Aviation Administration (FAA) or foreign aviation authorities that flight safety is being compromised. How many foreign contracts does MAC currently have and in what countries?

General JOHNSON. MAC has contracts with seven foreign air carriers, five in Canada, and two in Denmark.

Mr. YOUNG. Has MAC done any negotiations with these countries to include any safety related language in its current contracts with its contractors in these foreign countries?

General JOHNSON. Yes. Every MAC contract, including these, contains a safety clause which allows MAC to discontinue doing business with a carrier based on safety concerns.

Mr. YOUNG. MAC is required to perform airlift capability surveys on all airlines and air taxi operators doing business with DOD including surveys of foreign airlift contractors. MAC needed to develop ways to obtain and evaluate information on the capabilities and safety records of potential foreign airlift contractors. Has MAC established any procedures to collect and evaluate pertinent information on foreign air carriers? If not, what is the holdup?

General JOHNSON. Our approach to including foreign carriers in the oversight process has been deliberate and with sensitivity to host nation sovereignty. In early 1989, we first went to the Department of State and the FAA legal staff to identify our needs and coordinate an approach. We then held meetings at the appropriate U.S. Embassy level with the foreign government Civil Aviation Authorities (CAA) and airline representatives and solicited their cooperation. We next obtained each air carrier's approval to conduct DOD on-site capability surveys and to date have visited four of the seven carriers. We expect to visit the other three this calendar year. We have developed a rapport and information flow with Canadian and Danish CAA authorities and exchanged visits with Canadian CAA

personnel. In addition, data on these carriers are included in our Air Carrier Analysis System.

Mr. YOUNG. Adequate seat spacing is needed for emergency evacuations and passenger comfort. To enhance flight safety, seat spacing waivers should be closely controlled. Seat spacing on commercial aircraft can be much too uncomfortable for soldiers because of their extra equipment. Has MAC set up any criteria to monitor waivers for seat spacing?

General JOHNSON. Yes. All waivers are monitored and carefully evaluated by local, intermediary, and headquarters MAC personnel. Depending on the circumstances, on a case-by-case basis, and if safety is not impaired, a waiver to DOD contractual seat spacing can be granted. We do not waive standard FAA seat spacing requirements.

Mr. YOUNG. Who has the authority to approve waivers of seat spacing?

General JOHNSON. The MAC Director of Contract Airlift is final approving authority. A decision to approve a seat spacing waiver request is based on a recommendation from subordinate MAC contracting personnel who are closest to the user and the air carrier.

Mr. YOUNG. The Military Traffic Management Command (MTMC), an Army command, arranges domestic passenger airlift and air taxi operations for less than 90 days duration through air transportation agreements with several airlines and air taxi operators. Has MAC performed any airlift capability surveys on MTMC airlift contractors and air taxi operators?

General JOHNSON. Yes, MTMC carriers are inspected to the same standards, require the same approval process, and receive the same continuing oversight as MAC carriers.

Mr. YOUNG. Has this inspection criteria been included in MTMC regulations?

General JOHNSON. MTMC operates in full accordance with DOD Directive 4500.53, as MAC does. All MTMC contracts with airlift providers, including Military Air Transportation Agreements and Tenders of Service, include requirements for DOD oversight as stipulated in P.L. 99-661 and DODD 4500.53.

Mr. YOUNG. When performing troop movements, it is possible for the troops to include hazardous material in their baggage. MTMC needed to periodically remind its customers that hazardous materials are not allowed on passenger aircraft and develop instructions covering this regulation. What criteria have been established to remind customers that hazardous materials are not allowed on passenger aircraft?

General JOHNSON. Guidance in regard to shipment of hazardous materials has been provided to airlift users, including organizations frequently generating troop movements. In addition, MAC terminals have signs reminding passengers that carrying hazardous material in their bags is prohibited. The signs specifically address the dangers involved and the potential penalty of up to \$25,000.

Mr. YOUNG. One of MAC's procedures in providing oversight of airlift contractors was to perform, on a monthly basis, ramp inspections of 10 percent of each airlift contractor's aircraft. The ramp inspection is basically a visual check of the aircraft performed by an experienced Air Force representative accompanied by a repre-

sentative of the airline. The ramp inspection program did not specifically require inspections of substitute charter aircraft. Have the ramp inspection criteria been revised?

General JOHNSON. Yes, ramp inspection criteria have been significantly expanded. MAC meets the requirements of Public Law 99-661 by inspecting each internationally scheduled charter mission departing the United States. MAC ramp inspectors are highly qualified Air Force non commissioned officers or civilian equivalents and are selected and certified by their local maintenance commanders. All are assigned to MAC or MAC-gained Reserve and National Guard units. No outside assistance is used. MAC also inspects domestic charter passenger missions with an annual inspection rate goal of 25 percent. Last year we inspected 44 percent of domestic charter missions. In addition to scheduled passenger flights, we also routinely inspect charter aircraft supporting other missions, such as troop moves to and from exercises. We also conduct ramp inspections during our on-site capability surveys.

Mr. YOUNG. How many ramp inspections are performed a year?

General JOHNSON. MAC averaged 2,182 inspections per year in 1988 and 1989.

Mr. YOUNG. Have any charters been stopped because of the ramp inspections?

General JOHNSON. Yes. Recently, we have had two occasions in which MAC inspectors questioned the airworthiness of a contract aircraft and prevented DOD personnel from boarding. In December 1989, a MAC inspector at Norfolk Naval Air Station, Virginia, found extensive damage on the underside of an engine on a DC-8. It appeared that the engine had contacted the runway upon landing. The inspector recommended the aircraft not be used for the DOD mission, and the carrier replaced the aircraft. Also in December 1989, two inspectors at Bradley International Airport, Windsor Locks, Connecticut, discovered fuel leaks on an L-1011 and determined they were hazardous. The crew grounded the aircraft at the MAC inspector's insistence and a substitute aircraft was flown in.

Mr. YOUNG. Were the carriers suspended?

General JOHNSON. No company has been suspended as the result of a single ramp inspection. However, ramp inspection results are tracked and trends monitored. A series of poor ramp inspections have led to more frequent inspections on particular carriers, visits to the carrier's hub facilities, or requiring the carrier to inform us of how they intend to fix the problem.

Mr. YOUNG. Has MAC's ramp inspection program been expanded to include charter departures from commercial gateways located at commercial airports in the United States?

General JOHNSON. Again, the answer is "yes." Ramp inspections are performed on a regular basis at our major passenger charter departure points (Los Angeles, St. Louis, Philadelphia, Oakland, Charleston, and Bradley International Airport in Connecticut). Additionally, we deploy inspectors to other civilian airports to perform ramp inspections as needed. For example, we've had inspections conducted at San Antonio, El Paso, Reno, Chicago, and Birmingham, to name a few.

Mr. YOUNG. Does MAC target contractor aircraft not included in the airlift capability surveys for ramp inspections where possible?

General JOHNSON. Yes. All aircraft on the carrier's operating certificate are subject to a ramp inspection. We try to accomplish as many ramp inspections on as many different aircraft as possible.

Mr. YOUNG. Has MAC instituted any programs to specifically target substitute aircraft for ramp inspections?

General JOHNSON. Any aircraft being used to carry DOD personnel has to be from a DOD approved carrier. As previously stated, all aircraft departing the United States on any international scheduled charter mission receive a preflight safety inspection. This includes all substitute aircraft.

Mr. YOUNG. Have officials at MAC and MTMC developed any program that would provide ramp inspections of MTMC charters?

General JOHNSON. Yes. The MAC ramp inspection program includes all charters, regardless of the service. We do not distinguish between MAC or MTMC, except in that the statute requires inspection of all international scheduled charters (i.e., MAC) and we have targeted 25 percent of domestic charters (i.e., MTMC).

Mr. YOUNG. Were any charters stopped because of a ramp inspection and the associated MTMC contractor suspended?

General JOHNSON. Last year we conducted ramp inspections on 44 percent of MTMC Commercial Airlift Movements or CAMs. All significant problems identified in ramp inspections for CAMs were corrected prior to flight. No MTMC carriers have been suspended as a result of a ramp inspection.

Mr. YOUNG. A useful source for obtaining data on contractor operations is passenger comments. MAC provided single-page passenger comment forms at terminals for any MAC passenger desiring to comment on MAC services. However, the form did not ask any specific questions about safety. MAC and MTMC needed to improve the passenger comments process by (1) developing and using a two-copy form with one copy always sent to MAC, (2) centrally evaluating the comments categorized by contractor, and (3) redesigning the form to focus passengers' reporting on safety and quality problems they might have noticed. Have MAC and MTMC developed a two-copy customer comment form or any type of form or procedure with one copy to be sent to MAC?

General JOHNSON. MAC and MTMC have jointly developed a revised DD Form 1341, Report of Commercial Air Carrier Passenger Service. The form is in printing at this time with distribution slated for this summer.

Mr. YOUNG. Do the forms have a section for questions related to safety?

General JOHNSON. Four sections of the form include specific safety questions.

Mr. YOUNG. Did MAC and MTMC develop systems to evaluate these forms for passenger comments and identify trends for contractor evaluations?

General JOHNSON. The forms when returned to MAC are included in the Air Carrier Analysis System data base which supports both MAC and MTMC.

Mr. YOUNG. Do the forms focus passenger's attention on any flight safety problems they might have noticed as well as service quality problems?

General JOHNSON. Yes, they do. The form is well balanced between safety and service quality issues. The Remarks Section is provided to expand on any specific safety item.

Mr. YOUNG. As part of the overall safety and comfort of its passengers, MTMC monitors in-flight performance. According to the GAO report in 1987, MTMC was performing about 3-6 surveillance checks a year. Does MTMC still perform its en route surveillance checks aboard charter flights? If so, how often? What were some of their observations?

General JOHNSON. Yes, MTMC performs up to 12 surveillance checks per month or 5 percent of all MTMC arranged full plane-load charters. The majority of the carriers surveyed provided satisfactory service. There were occasional instances of insufficient numbers of meals, pillows, and blankets; aircraft that hadn't been cleaned; and inoperative latrines. MAC also has a surveillance program and completed 194 surveillance checks in CY89, with similar results.

Mr. YOUNG. One way to provide better oversight and monitoring of airlift contractors is to have effective communication between FAA and DOD. While FAA and DOD have regulations that provide for communication between the agencies, they have not been effectively followed. This lack of communication resulted in DOD not being informed of a number of actions FAA had taken against DOD's airlift contractors. Have DOD, the Department of Transportation, and FAA officials improved their communication so that each has access to the information it needs to adequately discharge its responsibilities?

General JOHNSON. Yes. We have jointly formed a close relationship. The FAA cooperated in giving us access to their data bases, supporting our automation efforts, and providing space for MAC inspectors in their operations and airworthiness training classes. We receive a copy of the FAA Administrator's Daily Alert Bulletin which identifies all the previous day's aviation accidents, incidents, or operational problems. We receive copies of all National Safety Inspection Program reports as well as reports from the National Transportation Safety Board. In turn, copies of DOD capability survey reports are made available to FAA Headquarters Washington, significant survey findings are sent to the cognizant FAA regional headquarters, and all capability surveys begin and end with briefings to the appropriate local FAA personnel having direct responsibility for the air carrier in question. An open link of communications has also been developed between the DOD and the Department of Transportation's Office of Air Carrier Fitness.

Mr. YOUNG. What procedures have been established to ensure effective communication?

General JOHNSON. MAC has an Air Force lieutenant colonel assigned as DOD liaison in the HQ FAA Flight Standards Office and the FAA has an aviation safety inspector assigned as FAA liaison at the Military Airlift Command. A DOT/DOD Memorandum of Understanding agrees to share information in regard to commercial air carrier fitness and safety.

Mr. YOUNG. DOD established 12 months of prior commercial service as a sufficient contractor experience period to make effec-

tive evaluations of potential airlift contractors' performance. Is this 12 month criteria sufficient?

General JOHNSON. We think that 12 months of prior equivalent service is correct.

Mr. YOUNG. Have there been any studies to determine if this 12 month criteria is sufficient?

General JOHNSON. We have evaluated several carriers who did not have 12 months equivalent service and without exception found them wanting in infrastructure, en route maintenance capability, parts availability, and operational confidence.

Mr. YOUNG. It has been suggested that MAC and MTMC have taken a stronger hand in evaluating contractor performance. How many contractors did MAC and MTMC suspend during fiscal years 1988, 1989?

General JOHNSON. There are several programs MAC and MTMC use to monitor the quality of service provided our people, including in-flight monitoring of service and constant monitoring of flight reliability. In contrast, but somewhat related, the Air Carrier Survey and Analysis function is concerned with safety. In fiscal year 1988 and fiscal year 1989, 21 carriers were suspended because of safety concerns.

Mr. YOUNG. Why were the contractors suspended?

General JOHNSON. There were assorted reasons for suspension, including noncompliance with aircraft FAA directives, aircraft corrosion, overflying required maintenance inspections, deadlines, record falsification, improper aircrew scheduling procedures, and improper weight and balance procedures. In a general sense, all suspensions resulted from the carrier's systemic lack of adherence to generally accepted standards of air carrier operations and maintenance.

Mr. YOUNG. Were any contractors permanently barred from MAC and MTMC chartering? Why?

General JOHNSON. The safety process does not permanently bar a carrier from our airlift transportation program. We realize the aviation industry is quite fluid—changes and improvements in company procedures are common. With proper leadership and resources, a company deemed unacceptable today can later become a safe, reliable, efficient carrier. If a carrier is suspended, it may apply for reinstatement after providing proof that deficiencies have been corrected and a system is in place to prevent recurrence. This entails a DOD resurvey of the company.

Mr. YOUNG. When American troops are transported by other than U.S. military aircraft, as in the case of the Gander crash, where the U.N. was the sponsor of the transport and contracted for the Arrow Air planes, does your command exercise any jurisdiction regarding safety requirements of the plane and its crew, and should you exercise some jurisdiction in those situations when U.S. personnel are involved in the movement?

General JOHNSON. Airlift requests for U.S. forces supporting U.N. and other multinational activities are now validated by DOD officials. Airlift requirements for the U.S. Multinational Force and Observers (MFO), U.N. support of Iraq/Iran Peace-keeping, and U.S. support to Namibia were validated by DOD agencies. Airlift of U.S. military was accomplished on DOD approved air carriers.

Mr. MURTHA. Mr. Dicks.

STRATEGIC AIRLIFT

Mr. DICKS. General Johnson, welcome.

Our committee has taken a considerable interest in the whole question of lift. Recent events have sparked a considerable debate over the amount and type of strategic lift that will be required by U.S. military forces in the future. As a result, is there a reexamination underway of the overall lift requirements and in particular, the 66 million ton miles per day requirements established nearly ten years ago in the Congressionally mandated study?

General JOHNSON. Yes, sir. The DOD has undertaken that review. We are participating with them. They are doing it in an overall fashion but also tying it to the aircraft review that is going on, in particular, the C-17. But they are looking at scenarios that include global type activity, not just European scenarios.

Mr. DICKS. Even before the revolution in Eastern Europe there was some concern that the requirement had maintained static even though forces to be lifted had increased substantially in weight and bulk.

If the requirement for deploying ten divisions to Europe in ten days remained or grew, could airlift support such a requirement as well today under the 66 million ton miles standard as it could ten years ago?

General JOHNSON. No, sir. We have never gotten up to 66 as you know. We have gotten up to 48. The 66 million ton miles was a goal, an attainable, realistic goal that we thought we could seek, but it never met all the scenario requirements. To move ten divisions in ten days it did not meet that requirement.

Mr. DICKS. The C-17 is one of five programs receiving top level review by the Secretary of Defense. Could you summarize the current status in terms of schedule and cost growth with the C-17?

General JOHNSON. The C-17, as far as the schedule is concerned, we are doing well—the new schedule is set for a first flight in June of 1991. We originally had an earlier date. We moved it to December and finally to June of 1991. We are confident of meeting the June 9 date.

As far as the money is concerned, or the funds, the cost, it is staying even on cost. Of course, as we stretch out the C-17 the costs go up slightly, and as you calculate then year dollars, inflation drives it up some.

Mr. DICKS. It goes from \$35 billion to \$41.8 billion, is that correct?

General JOHNSON. Yes, sir. It is \$41.4 billion.

Mr. DICKS. If a decision were made—and I would be opposed to it—to terminate the C-17 program what would be the impact on the airlift capabilities of the Air Force and what options would be forced to consider to meet your assigned task?

General JOHNSON. If we terminated the C-17 we would have to look very carefully at our other resources. Our C-141 supplies about 14 million ton miles per day capability. That aircraft is running out of useful life. We have been operating it in an environment—

Mr. DICKS. Which one is this?

General JOHNSON. The C-141. It was originally built as a 30,000 hour airplane. It is now above 30,000 and it—we have extended it to 45,000 hours. But the effective—

Mr. DICKS. Have we SLEPed these planes?

General JOHNSON. There is an additional SLEP but we have had many SLEPS before, minor ones.

Mr. DICKS. In other words, this plane has been SLEPed around?

General JOHNSON. Yes, sir. It started out as a point to point airlifter and it has been stretched. It has added refueling and we fly it at low level. As a consequence, it's an environment factor—that is defined as the effective hours you place on an airplane divided by the clock hours.

In other words, it is aging 1.65 faster than we are flying it because of the environment we fly it in.

Mr. DICKS. What about the C-130s and the C-5s?

General JOHNSON. The C-5s, we bought 50 new ones, the B models. C-5As are approaching in the early 20 years old, but we have to change the wings on those. They seem to be holding up very well, both the older As and the newer Bs.

Mr. DICKS. Do you still have the problem in that they clog up the runways in the fields? They don't operate efficiently and they are limited in fields we can fly them into and they are the most expensive plane ever operated in the history of the Air Force, so it is not really the best?

General JOHNSON. No, sir. The C-5, the biggest problem is maneuverability on the ground.

Mr. DICKS. Can it go backwards yet?

General JOHNSON. Only down hill. But the C-5 does have a problem on the ground. It is a good airplane if you are carrying a lot of equipment, heavy equipment to a place that can handle it, and we are very proud of the 110 C-5s that we have. They are very, very useful. In fact, they are the only way we can carry out the outsized cargo.

Mr. DICKS. But there aren't many fields that can be used in a European scenario?

General JOHNSON. Yes, sir.

Mr. DICKS. You can only operate two at a time on a main operating base where with the C-17 you can operate seven to nine on one base at one time?

General JOHNSON. In a space you have three C-5s you can put five C-17s.

Mr. DICKS. You can still operate your fighting forces. When the C-5s are there I understand fighters can't take off too—

General JOHNSON. If you don't have the capability to take it off the runway you have to leave it on the runway to offload it and certainly you couldn't operate then. If you have a main operating base you can take it off the runway and offload it but it does take a lot of area and you cannot maneuver it like you can the C-130 or the C-17.

Mr. DICKS. What would be the situation if the C-17 force were cut in half?

General JOHNSON. We would not be able to support our country in our power projections around the world. Our airlift does more than just carry forces into battle. I have a slide which I will be

happy to provide that lists every exercise, every contingency, every humanitarian support around the world where we were the carrier of choice. Last year you might recall the U.N. decided to ask the Soviets to carry some equipment to Southern Africa. They had a horrible time doing that. They have good airlifters but they hadn't done that. We do it routinely and carry the American flag around the world.

Mr. DICKS. You mentioned slides—if you have slides——

General JOHNSON. I have one which I can provide, sir.

Mr. DICKS. I would like to have a copy of what you have. Please put it in the record.

[The information follows:]

The following information incorporates only a two and a half year period and highlights only the major world events airlift supported.

WORLD EVENTS

82

OCT 88	U.N. PEACE KEEPING FORCE IN IRAN/IRAQ
DEC 88	ARMENIAN EARTHQUAKE
JAN 89	TRAPPED WHALES IN ALASKA
MAR 89	U.N. PEACE KEEPING FORCE TO NAMIBIA
MAR 89	OIL SPILL IN ALASKA
MAY 89	TROOP DEPLOYMENT TO PANAMA
AUG 89	AIRLIFT TO ETHIOPIA
SEP 89	HURRICANE HUGO
OCT 89	CALIFORNIA EARTHQUAKE RELIEF

SEALIFT

Mr. DICKS. Earlier I had a chance to talk to you a little bit about the sealift issue, and I thought you did an excellent job of describing in general terms what kind of sealift capability we have. Is that in your statement?

General JOHNSON. No.

Mr. DICKS. Would you describe that, because I think it is important for our committee, because of our concern about sealift. Could you describe what it is that we have in that capability so that we will have that in the record?

General JOHNSON. Yes, sir.

At the top of the pyramid are the fast sealift ships that the Navy owns, previously owned by SEALAND. They will do 33 knots. We have eight of those carrying a mechanized infantry division. These are the SL-7s. They are cadre manned by 12 people. When activated they have to get additional people to bring up. I am told 42 is the crew.

Mr. DICKS. You get those out of the union halls, right?

General JOHNSON. Yes, sir.

The next level is the U.S. Flag, 137 dry cargo ships in the U.S. Flag, a total of 272, but the rest are petroleum and passenger. We use those day to day on a charter.

The third level would be the Ready Reserve force. We have 95 ships that are ready to go within five days, ten days or 20 days. We would have to man those from the union hall when we need them.

The next level would probably be the effective U.S. control ships. These are U.S. owned foreign flags. There are a total of 137 of those ships but only 34 of those are dry cargo.

The next level would be the NATO ships. NATO has promised to provide us 400 dry cargo ships. They can currently have 476 in the pool to provide those 400.

Then there are 26 that the Koreans would provide through a memorandum of understanding with the US.

We also have the National Defense Ready Reserve Fleet. There are a total of 133 ships in that fleet but that includes seven of the World War II Victory ships. The average age is 38. Those could not be used before 30 days into the conflict. That is our sealift capacity.

[CLERK'S NOTE.—Subsequent to the hearing General Johnson changed his testimony to read as follows:]

Those ships are scheduled for use between 31 and 90 days into the conflict. That is our sealift capacity.

Mr. DICKS. Did you answer the question about what you would like to do with this \$600 million if Congress turns down the rescission or deferral, whatever we are calling it these days?

General JOHNSON. The Congress asked DOD to look at how we would develop a ship that is both commercially and strategic sealift viable and they are responsible to come back to you with an answer.

There are several ways we can go. The two most prominent ways, one is we could buy new fast sealift ships built at U.S. shipyards. We could buy about two of those. They cost about \$350 million apiece if we could build them. The last ones were built in Europe.

A second way would be to work with the maritime industry, the shipowners and operators, and build in defense features on ships that would be commercially viable. From my perspective, the best way to go is that way.

Those ships would be operated day to day in the commercial liner business and then of course we would have to draw on them in wartime, and you could build about eight of those, perhaps.

But the DOD will come forward with their program later.

Mr. DICKS. Thank you.

Mr. MURTHA. Mr. McDade.

Mr. McDADE. Thank you, Mr. Chairman.

OPERATION JUST CAUSE

Welcome, General, we are delighted to have you before the committee.

When we had the Secretary of the Air Force here, we were discussing the airlift in Operation "Just Cause" and got into a discussion about what was needed. The Secretary said he thought it took about 25 percent of the airlift, total airlift, to move the troops into Panama, the rapid 30 hour deployment. But he said that if nothing had been on the ground in Panama, three quarters of the airlift would have had to make two trips just to get the proper mix of numbers of troops et cetera to Panama. Do those figures sound right to you?

General JOHNSON. Yes sir. He was taking the total airlift capability. He was saying that if we had taken what our wartime utilization rate is, and what resulting capacity is, it would take 25 percent of our capacity to do what we did, and if we had to move everyone, including the ones on the ground, it would take 75 percent and you would have to make a second trip.

Mr. MURTHA. Does that include equipment?

General JOHNSON. Yes sir.

Mr. MURTHA. Your LAVs I remember were there, I don't know what else. You could have carried that all by air?

General JOHNSON. Yes, sir. Now, I don't have access to his actual calculations. I was Director of the Joint Staff for the JCS, when we planned that. We took the APCs, we used a fast sealift ship to take a battalion out of Fort Polk.

Mr. McDADE. We are only air at this juncture?

General JOHNSON. Yes sir, but of course, as the Chairman mentioned, if you had nothing on the ground you would have to carry everything—

Mr. McDADE. That is what we are trying to get at.

General JOHNSON. Yes sir. We could have carried everything by air.

Mr. McDADE. And it would have taken two trips, 75 percent of everything, all your air fleet, to accomplish that if there were nothing on the ground?

General JOHNSON. Yes, sir.

Mr. McDADE. Are you comfortable with that?

General JOHNSON. Yes, sir.

Mr. McDADE. We are trying to get educated about this issue because of the change that is going to keep occurring.

OPERATIONAL REQUIREMENTS FOR AIRLIFT

General JOHNSON. We have no second thoughts about that but I must tell you something else that the Chairman and I discussed earlier. Those four days, the 18th through the 21st, we had 272 of our strategic airlifters that were committed. In other words, they were flying those four days. Those were all we had in the active force that were in commission—in other words, maintenance and so forth.

So we were 100 percent committed, but not just for "Just Cause." For "Just Cause" we had between 50 and 180 missions. The others were doing a peacetime activity. Everyday we fly more than 400 missions around the world. During this period on only the C-141 and the C-5 we were still flying a hundred missions a day outside "Just Cause" to carry on—

Mr. McDADE. I am sure you have a lot of demands, no question about that. We are talking about the stress on the system in general, "Just Cause" and normal mission activities, is that your point?

General JOHNSON. Yes, sir, but my point is that we use our fleet a great deal. It is a good thing we did "Just Cause" at Christmas time, not much other activity was going on. Otherwise, we would have had to cut back on other operational type activity around the world.

Mr. McDADE. I am sure some of those can be delayed aren't they?

General JOHNSON. Yes, and no. One complained about the 150 missions that we cancelled.

Mr. McDADE. Postponed or cancelled?

General JOHNSON. Postponed, but some of these were local training, some were charged missions. These were just missions that were scheduled in those four days that we couldn't fly because of this.

Mr. McDADE. We hope you are working there. Did those numbers that you have up top include the civil reserve air fleet when you used the original equation about the stress on the system?

General JOHNSON. The civil reserve was not used in the deployment phase of "Just Cause." We did use it in the redeployment phase.

Mr. McDADE. To what extent? Supply that for the record.

[The information follows:]

In the redeployment phase, we used 12 CRAF missions transporting 2,929 people and 346 tons of cargo.

USE OF SEALIFT IN OPERATION JUST CAUSE

Mr. McDADE. Did sealift assets play a part in Operation "Just Cause?"

General JOHNSON. Yes, but not in the deployment phase; we used sealift to retrograde some captured equipment.

Mr. MURTHA. You also took down a group in advance?

General JOHNSON. Yes, sir. Earlier. It was in the spring or early summer, something called NIMROD DANCER, when we last had the big buildup before December and we used one of the fast sealift ships to take down a battalion of personnel carriers from Fort Polk.

CAPABILITY TO MOVE TROOPS TO KOREA

Mr. McDADE. We got into a discussion when they were up about a scenario where they would have two expeditionary forces—50,000 on the east, 50,000 on the west ready to go—in the Commandant's words, tonight if required by the National Command Authority, by the President or whatever, and we had some difficulties getting the numbers together.

In other words, this stress occurred so much on Operation "Just Cause", predeployed troops and equipment, it was difficult to see on this side of the table how you could deploy 50-50 especially simultaneously.

Part of it was pre-positioning ships and dropping the troops on the ships. Would you look at that? We would like to know what you think. Suppose there was a requirement for 50,000 in the Pacific. Do you have the assets to deliver the 50,000 with prepositioned ships and then suppose there were no prepositioned ships?

Mr. MURTHA. If the gentleman will yield, we are talking about a hundred thousand troops to say Korea within 30 days. Could you complete that mission? It seems to me Korea is really the only area right now, in listening to the CINCS, and the various intelligence reports, that really there is any possibility of a fast reaction, and to move from Okinawa, give us a scenario of how long it would take you to get a hundred thousand troops into Korea with their equipment.

General JOHNSON. I will supply that for the record.

[The information follows:]

Yes, we could accomplish this type of operation given the scenario you describe, that is, with the existing troop structure in Korea and the Pacific. We could move 100,000 troops and their equipment from the US and the Pacific to Korea in approximately ——— days. Of course, any reduction of force structure from the theater would add to our delivery time unless we increased our transportation capability.

Mr. McDADE. Suppose that call came through to you this afternoon and said we are going tonight, would you be able to accomplish that mission. A hundred thousand troops?

General JOHNSON. We could move the troops within ——— days, sir.

Mr. McDADE. The difficulty is kind of equipment to do the task, so the prepositioning of the ships and supplies is crucial?

General JOHNSON. Prepositioning of equipment whether it be on the ground or on ships. The Marines have three maritime prepositioned squadrons——

Mr. McDADE. Take it out of the equation and you can't get there from here, right?

General JOHNSON. That is a big statement, but probably pretty close.

Mr. McDADE. Would you agree with it or disagree with it?

General JOHNSON. I would disagree. If you had the equipment and gave me 30 days from the West Coast and gave me all the national emergency power we could probably do that.

Mr. MURTHA. You would have to take private ships wouldn't you?

General JOHNSON. No question, sir.

Mr. McDADE. Give me that scenario. Assume that you get a call this afternoon saying we need 100,000 troops in Korea, and change it any way you want to for the record, we are in closed session, trying to get educated.

We are not trying to make you make a statement and come back about it. We are trying to explore the area because the committee has continuig interest in air and sealift, et cetera. I would like you to give us your thoughts on what you would have to do to do that.

General JOHNSON. First of all——

Mr. McDADE. You can change it for the record.

General JOHNSON. To move 100,000 troops to Korea without equipment, we can do that. We would have to call up CRAF. We have never called CRAF, never implemented CRAF and we might not have to do it here, because the airlines would contract with us without implementing CRAF and that has happened in the past. We can fly the troops——

SEALIFT AND AIRLIFT MIX

Mr. McDADE. We put money into sealift last year because your predecessor and other CINCs said 95 percent of the equipment has to move by ship and now it has been deferred. We have to know under today's threat whether you need sealift and whether we should press that issue.

We feel very concerned that you don't have the sealift you need in order to get you there and also the decision on the C-17 that hasn't been made yet.

General JOHNSON. Yes sir. When you have a fast breaking decision the thing that stabilizes it will always be the airlift capability and what is in the local area. It takes even a fast sealift five days to go across the Atlantic. That means it is loaded, it takes three or four days to get loaded. It is like the Yom Kippur War back in 1973, we were asked for supplies on the 12th. That was six days after it began. The President made the decision in late afternoon and the first aircraft departed on April 1 at 7:35 p.m., on eastern time that day.

Now, the first ship that arrived had more tonnage than every ton carried by air but it was five days after the cease fire.

Mr. MURTHA. The first ship that got there had more tonnage than all the airplanes that flew between the time they started and the time the ship got there?

General JOHNSON. That is my understanding but it was five days after the war was over.

Mr. McDADE. Good news, bad news. Go ahead, please.

General JOHNSON. My point is that if you are going to stablize a fast moving situation it has to be done initially by air. Israel was rebuilt by sea, and that is the way we expect any long term conflict to occur. We have to get there very, very quickly, stabilize it, and then we can bring in things by sea. We have today enough sealift if you count all those things I outlined for Mr. Dicks, to move our force, but the question is how quickly?

If you want to move them quickly——

Mr. McDADE. All right, I hear you indicating that the mix that we are talking about, you really need to have both, is what you are saying.

General JOHNSON. Yes, sir.

Mr. McDADE. You, like your predecessors, believe that sealift is critical to anything we are doing, I assume?

General JOHNSON. Any long term conflict we have must have sealift or we don't have staying power.

RETENTION AND QUALITY OF LIFE

Mr. McDADE. You have a lot of retention problems, what is the long term solution as far as you are concerned, to keeping quality people, quality pilots in your command?

General JOHNSON. We are working very hard with the Congress, obviously, on some of the pay incentives and we appreciate those and I believe that is having a positive impact, but I am working on the other side, because we can never compete with airlines in salaries ultimately.

I am looking at making the job something the people want to do, and the quality of life issues, the pride.

The Chairman and I were talking before we began that "Just Cause" was a great success. I would like to say I made that happen. I can't, the young troops did. And I let them do that. I told them their directives or guidelines—they are to go out and do the job. That is how I intend to retain as many as I can, and from a national standpoint that is my responsibility, but also these young men and women contribute greatly to our nation whether they stay in the Air Force or not. So I am trying to make it a place that they want to be a part of and I think we have stabilized it.

I would like to say we have turned it around. I am not confident of that. Our command, unfortunately, is the same level as the other commands now—the tactical Air Force, and the strategic Air Forces. I am not bragging about that but I am saying we have been able to stabilize ourselves—

Mr. McDADE. It is a big improvement?

General JOHNSON. Yes, sir. We had been lower.

Mr. McDADE. Keep up the good work and we will try to help you. Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Dicks.

ADDITIONAL AIRLIFT REQUIREMENTS

Mr. DICKS. Are you going to have a low observable airlifter?

General JOHNSON. No, sir.

Mr. DICKS. Thank you.

What about the defensive electronic combat devices on the C-130, C-141, C-5 and C-17?

General JOHNSON. Yes, sir, we are looking at that. I would like to discuss that a little bit, if I may.

In the airlift business, we believe that the first defense is to avoid the threat. Now, sometimes we will have to go in harm's way in our airlift airplanes that participate in the special ops type activities. They already have the detectors and the jammers. ——— to have that capability and we have a plan to convert, to modify

several of our aircraft to have the ability to operate in a hostile environment, and we will not have all of them with that capability, but we do plan to add that to our airlift fleet selectively.

CIVIL RESERVE AIR FLEET (CRAF)

Mr. DICKS. Could you give us an update on the CRAF program?

General JOHNSON. Yes, sir.

Mr. DICKS. Did you already do that?

General JOHNSON. No. What part would you like—

Mr. DICKS. Let's do both the passenger and cargo.

General JOHNSON. The CRAF program has been modeled for all Services to follow, working with the commercial industry. We have been very successful in the passenger business and very successful in the cargo business. We had a program a few years ago that has just been completed now, where we converted several airplanes—19—to have a cargo capability—these were passenger aircraft—to give a cargo capability. That program has been successful.

We in the government paid for the modification, and we also paid for the additional cost of operating the aircraft after modification. A certain amount of weight was added. The airlines have accepted that program. I don't believe that will continue.

We do have the capability now, legislative-wise, to add defense features to commercial airlines. We don't presently have any ongoing, but we have the authority to do that and in the future, we may be able to do it. At the present time it is not a high enough priority finance-wise to do that program. But we have the legislative authority to do so, and will continue to look at what makes sense.

Mr. DICKS. In order to deploy our manpower, would we use this program very heavily?

General JOHNSON. Yes, sir. But you are talking about two different things. CRAF enhancement is for cargo. The passenger CRAF, we have always been very blessed in our country to have a very strong passenger capability and 93 percent of the passengers would go by commercial CRAF. We would send more but certain passengers need to go with equipment. In essence, we have no passenger flights in our contingents.

Mr. DICKS. So you are really relying on this arrangement with the airlines to move most of the manpower?

General JOHNSON. Yes, sir, 95 percent in a large contingency.

INDUSTRIAL CAPABILITY FOR SEALIFT

Mr. DICKS. We were talking about this whole problem this morning and you gave a good answer about our sealift capability, and I understood there were other questions about capabilities, et cetera. Don't we have a serious industrial base problem now going here in the U.S. because of the decline in our domestic shipyards, due to the fact that there has been very little work done of a commercial nature? What are the implications of that as you look down the road in terms of our overall lift capability? What do you see out there?

General JOHNSON. I see us continuing to decline. I would like to give some numbers for the record to show this. The liner compa-

nies since 1970 have decreased from 29 to currently six. The shipyards have decreased from 29 to six. The number of commercial ships under construction in 1970 was 74. In 1980 we had eight. In 1984, 12, 1988, zero; and 1990, zero.

Recently, a contract was let with the NASSCO company in San Diego to build a new ship for the Hawaiian run and that ship will cost \$129 million to build. It will be a combination car, roll on, roll off and container. The same ship would have cost \$50 million in Korea to build.

The number of ships—we have decreased from 893 in 1970 down to today's level of 424, a decline of 53 percent in 19 years.

Mr. MURTHA. Why does it cost so much more to build it here versus Korea?

General JOHNSON. The Korean labor is still cheaper than ours. Our labor prices are about the same as the European labor, but the big difference is they have active shipyards that have been modernized over time as does Europe, whereas our shipyards have not been modernized for the commercial sector.

NATIONAL SEALIFT POLICY

Mr. DICKS. We are down to almost zero commercial ships. You have no economy of scale, no mass production, no nothing. You have no way to spread the overhead. A year ago, before this committee, the former Commander in Chief of TRANSCOM indicated that a national sealift policy was being prepared for the White House. We had the Bennett Commission up here. What is the primary purpose of this policy and what are some of the major elements of this policy, and where is this policy now?

General JOHNSON. Sir, the policy was signed by the President, it has been promulgated. Its purpose was to reinvigorate the maritime industry.

Mr. DICKS. Has that happened?

General JOHNSON. The execution has not proceeded very rapidly. There is a policy coordinating subcommittee set up to work this.

Mr. DICKS. Who is in charge of it?

General JOHNSON. The Administrator of the Maritime Administration. The purpose was to ensure adequate sealift in times of crisis as well as war. They have a stand-alone capability without relying on NATO shipping, and that sort of thing.

The sealift needs should be met by U.S. Flag carriers, something that we have had time honored in our country for a long time. The minimum use of reserve ships in exercises. In other words, we would pull ships out of the Ready Reserve and exercise them in the various exercises we have, promote the military useful ships to be built in our country, backfilling older equipment, to foster maritime competitiveness as well as industrial preparedness, to conduct cost/benefit analysis of sealift programs, and to support advanced sealift technology.

These are the elements of the national security sealift policy.

Mr. DICKS. I mean, it is one thing to have a policy and it is another thing to implement the policy. What is being done in your judgment, to implement this policy?

General JOHNSON. Again, the Policy Coordinating Committee has been set up. It was set up late last year.

Mr. DICKS. There is nothing in the budget this year—for this purpose—to implement any of this?

General JOHNSON. Not to my knowledge. I cannot speak for the Department of Transportation.

FUNDING OF MARITIME ADMINISTRATION

Mr. DICKS. As I understand it, in the past, part of the problem has been that the Maritime Administration is funded through DOD, at least as it relates to that one category of ships you mentioned—the Ready Reserve ships, that now has been shifted from MARAD over to DOD again?

General JOHNSON. Yes, sir. For many years DOD provided the funds and MARAD in essence implemented. They were the ones who went out to maintain those ships in the Ready Reserve Force. Last year, in 1990, they were cut from \$289 million down to \$89 million to maintain that fleet. We had planned to expand that 95 ship fleet to 142 over time by 1994.

Of course, in 1990 we will not expand it. Some of the work we would like to have done will be deferred. In 1991 the DOD and DOT have agreed to place those funds in the other defense account, other defense agency account, and defend it before your committee and the other defense committees.

Mr. MURTHA. Mr. Young.

NEED FOR ADDITIONAL SEALIFT

Mr. YOUNG. Thank you, Mr. Chairman.

General, last year the CINCs made repeated pleas to this committee, and I am sure others, regarding the needs for additional sealift. We initiated what is referred to as the fast sealift program and proposed \$600 million to start it. Do you see the need for this additional sealift as important, and do you support this as aggressively as did your predecessor, General Cassidy?

General JOHNSON. I support the need for sealift as aggressively as anyone in the country. As far as how you go about it, there are several ways:

One, you can buy ships and tie them up in the RRF. I don't think that is good for our country. It does not assist in revitalizing the merchant marine industry.

A second alternative is to work with the commercial shipbuilders and liners and to build in military features in commercial ships. I think that our nation needs that. It is a national issue as opposed to DOD alone.

Mr. YOUNG. If you would like to expand that for the record we would be happy to have further comment on that.

[The information follows:]

This second alternative of working with ship builders and ship operators, along with a coalition of the maritime industry and the federal government, is urgently needed. We are at a unique time in that the next three or four years, we can positively influence the construction of ships designed with militarily useful features. Working with the coalition between government and the maritime industry, we can take actions that will result in a healthy merchant marine. However, existing laws

and regulations must be changed to permit privately constructed ships to compete with these government constructed ships.

Mr. YOUNG. Events in Europe have been very dramatic. Do you believe that events in Europe and the potential force structure reductions further support the need for additional sealift,

General JOHNSON. I believe the need for mobility lift has increased because of our activities or the activities of others in Europe, and as we bring our forces home. I believe that if we have strong force in our country and cannot move it it is not relevant on our national security interests, so we must have the lift or we have a hollow force.

Do we need faster sealift?

The question of warning comes up very quickly. If you have all the warning in the world you don't need very fast sea- or airlift, but we know that warning is only important if we react to the warning time. If we had a year's warning, to me, that would be worse than 21 days of warning, because we wouldn't do anything. We wouldn't want to do anything provocative.

So I believe the need for sealift and airlift is as high as it has been before. Whether we need fast sealift versus normal might be a moot question.

PETROLEUM TANKERS FOR THE READY RESERVE FLEET

Mr. YOUNG. Last year, the conferees, also directed the Navy to consider purchasing two existing petroleum product tankers for the Ready Reserve Fleet with priority being given to tankers financed and guaranteed by the U.S. Government since the average age of the 112 handy size product tankers in the active U.S. fleet is over 21 years with 53 tankers over 20 years old, and 31 tankers 30 years old. The conferees believed that this was an opportunity to obtain relatively new and proven tankers designed specifically for Military Sealift Command service requirements and built in the U.S.

General Johnson, do you concur with our assessment and decision to pursue purchasing these tankers, and if so, please comment.

General JOHNSON. Sir, I cannot address that from a business standpoint. I know the two tankers in question. I know the history of what happened. We, in our country, are very careful about the bid process, the commercial business arrangement. And as best I can determine, everything was done properly.

At the current time, our need for the small petroleum carriers has decreased. Again, this is more of a Navy question than mine. I am obviously interested, but I am not in the position to make the big decisions.

Mr. MURTHA. Would the gentleman yield?

In regard to those tankers, the DOD handled the situation very badly. Here we bought these tankers, somebody built them, they are subsidized, the DOD has a contract with them; then they cut the contract off. Was that you folks that cut it off or the Navy?

General JOHNSON. The Navy; they didn't cut it off—

Mr. MURTHA. The Navy went out for a new bid and they got a lower bid. In the meantime we have two tankers that the Maritime Service has to pay for. The government lost money. It is ridiculous. So we said buy these things because you have a heck of a deal.

What will happen to those tankers now? Did we or did we not buy them?

General JOHNSON. They went into default and MARAD picked up the tankers. Final position has not yet been determined, to my knowledge.

Mr. MURTHA. In other words, even though we directed DOD to buy the tankers, they deferred the money so they didn't buy them. That was part of the \$600 million, because I think we said buy them out of that \$600 million.

That shows you, when you don't coordinate between two agencies, how messed up a thing can get.

General JOHNSON. As I was not involved, I must defer to the Navy and MARAD on this issue.

TANKERS

Mr. YOUNG. Do we have enough of the handy sized product tankers to meet our requirements?

General JOHNSON. Yes.

Mr. YOUNG. Are these product handy size tankers a high priority for the RRF?

General JOHNSON. We have some in the RRF. Tankers are the number two priority for the RRF.

Mr. YOUNG. How many do we have?

General JOHNSON. I will have to supply that for the record.

Mr. YOUNG. Also supply their average age.

The Merchant Marine Act of 1986 determines that a tanker's useful life is 25 years. Is that still our rule?

General JOHNSON. Twenty, twenty-five years, which I don't like to talk about, because of the color of my suit, but that sounds kind of strange when we are flying airplanes 26 years old. But in general, 20-25 years is considered a useful life.

Mr. YOUNG. I agree with you about the airplanes as well. I think the B-52 is older than most of the generals now besides the ones that actually fly the airplane.

General JOHNSON. I agree.

Mr. YOUNG. We are trying to determine to make sure that our sealift is capable, that we have enough of what we need for mobilization and that they are of sufficient condition that they can perform in their mission, and that is the reason for the questions on the issue of tankers.

Thank you, Mr. Chairman.

[The information follows:]

In reference to your question on the number of tankers we have, the total is 24. The RRF has 11 tankers with an average age of 30.6 years. The NDRF has a total of 13 with the average age of 31.2 years.

Mr. MURTHA. Mr. Miller.

CINCTRANSCOM RESPONSIBILITIES AND BUDGET

Mr. MILLER. Thank you, Mr. Chairman.

I notice that you say, General, that it is your responsibility, as Commander in Chief of the U.S. Transportation Command, to provide all the theater CINCs with global air, land and sea transportation. Do you have that in a budget as such? As I recall, all of the

pieces of equipment, so to speak, are in the service budgets, and what do you have in your budget—just personnel for that operation?

General JOHNSON. Sir, as with all unified commands, except for the Special Operations Command, I only have administrative items in my budget to support my headquarters. All other budgetary requirements are funded through the Service components.

I can direct them to do things, but I don't handle the funds myself.

Mr. MILLER. Since you have responsibilities here, yet the Army, for example, would have trucks or tanks or whatever it may be, that it may want to put at some particular location and store. Is it within your responsibility to tell them where this equipment should be positioned so you later would be able to pull it out, or assign it to whatever location it would need to go to?

General JOHNSON. Yes sir. I can direct their actions. I was privileged to be the Deputy Commander of the Central Command in the middle of the Persian Gulf affair down in Tampa, Florida, and throughout that conflict, we never had a budget and yet everything we wanted to get done, all we had to do was ask and it was done or directed. But we didn't have the budget such as what Special Operations Command has, and we didn't need it, and I don't think I need it in the Transportation Command.

Mr. MILLER. So the various Services are responsible for their own equipment and the maintenance and storage of that equipment, and that would all be in their budget. We have gone over it many times but I did not know whether you perhaps had some small budget for equipment that would be used at your command.

General JOHNSON. Yes sir, I would have that. In fact, my budget is about \$30 million, and that funds people as well as computers, as well as the command and control type activity.

Many years ago, we were given the responsibility for the joint deployment planning, and with that goes quite a bit of command and control of analysis, and I do have that. My executive agent is the Air Force. For Europe, the executive agent is the Army. For the Atlantic and Pacific areas, it is the Navy.

RESPONSIBILITY FOR FUEL

Mr. MILLER. Do you also have responsibility for the fuel; needed for those planes, trucks, or tanks?

General JOHNSON. I do not, nor does anyone else as a command. That fuel is provided by the Defense Logistics Agency for all. Now, the various Services fund so much for fuel, but the commands do not fund that directly. That is centrally funded.

Mr. MILLER. I was thinking not only about funding, but also about the responsibility for the location of that fuel, if it would be needed off our West Coast, the East Coast, or around the world in various places. Do you have the responsibility to state to the various Services that you need such and such fuel in such and such a place?

General JOHNSON. In my transportation hat I have three components. Two of the components are primarily dealing with commer-

cial sources. The Army operates, supports and contracts for the ground transportation. So the operator is responsible for his fuel.

In the Navy, all ships except the eight SL-7 ships we have talked about are commercial ships. We hire those ships and their crews. They are responsible for the ships, the supplies fuel, et cetera.

I am also a dual hat, as the Air Force component in Military Airlift Command operating the aircraft we own, I am responsible for making sure the fuel is there.

This committee and others help on forward stockages of fuel, some in ——— and other places, as part of the worldwide fuel for forward stockage program.

Mr. MILLER. Are those tanks underground, or above ground, or would it be fairly easy for someone to blow a tank up?

General JOHNSON. All of the above, sir. Some are below but most of them are more in the commercial type tanks and not protected underground.

Now, at our forward bases and so forth it is a different story. With the fighters those are underground and protected. But the en route stocks, you could blow those up.

Mr. MILLER. Thank you.

Mr. MURTHA. Mr. Dicks.

MOVING TROOPS TO THE PACIFIC

Mr. DICKS. We talked this morning about the three parts of your job. You have got to get the men and equipment either in the planes or on the ships. You have got to get it across the sea, and once you are there, you have got to get it off and distribute it.

There are a lot of people in this Congress who are saying bring the troops home and all that. What if, for example, we pumped everybody out of the Pacific, all 100,000 remaining in the Pacific—which I would oppose—what would that do? Does the fact that we have forward deployed troops—does that help you? I would think it would in terms of your responsibilities for getting equipment out there if there was a need for U.S. forces to be deployed?

General JOHNSON. Yes, sir. Any forward deployed troops on pre-positioned equipment makes our job much easier. It also makes our, as a nation's deterrent capability higher.

Number one, forward troops. Number two, forward positioning of equipment. I am not responsible for pre-positioning except some of it that is pre-positioned afloat. That is other people's responsibility, but it is of great interest to me because the more you have forward deployed, pre-positioned, the easier my task is and my task, of course is to get the troops to the right place at the right time, along with their equipment, and if it is already there, it makes it much easier.

PREPOSITIONING EQUIPMENT AND TROOPS

Mr. DICKS. In your statement on strategy you make the point that we require the ability to ensure our access to strategic materials and world markets and need to meet allied commitments. Having some military capability out in those areas—for instance in Panama, the fact that we had a base there and 10,000 to 12,000 people already assigned there, probably ensured the success of that

operation. It certainly made the job of getting the equipment down there a lot easier, didn't it?

General JOHNSON. Yes sir. As I said earlier, if we had to carry it all, we certainly couldn't have achieved the surprise, nor had the base. Our C-130s that went down had to land. They could not go to Puerto Rico. We have other places we could have landed them if Howard had not been there, but it made the job a lot easier to put the overwhelming power on the ground very quickly. Without forward presence it is not necessarily easy to introduce forces.

Mr. DICKS. If you compare that with what happened in Desert I, we think operating from a carrier is so easy, but when you had to bring that together on the carrier and then move there, it certainly was a greater challenge in Desert I, and it turned out to be a fiasco for this country.

Having people in Korea, in Okinawa and Guam, and in the Philippines has to be a very important part of the success of any military operation that you would have to conduct in that area. Isn't that correct?

General JOHNSON. Yes, sir, forward presence helps us as a nation in more ways than just lift. Obviously, as we have a forward presence, we have interest in those countries. If we were to pull our forces out of Europe, there are still a hundred thousand Americans in Europe. If we pulled our troops out of Panama, all of them before "Just Cause," we have many Americans who live in Panama and if we have interest in their livelihood, that forward presence and the ability to reinforce is very important.

Mr. DICKS. We have allies, certainly we can rely on allies to a certain extent, but it seems to me again that if we have people that are stationed there, that relationship with those allies is going to be better than if we are completely out of there. We have to establish a working relationship with those people in order to get the equipment off the ships or planes and get it to where it has to go. Is that a fact of life?

General JOHNSON. Yes, not only from a defense standpoint but from a national security standpoint, from an economic and political standpoint. By our being a part of that society makes the others possible.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Young.

ARROW AIR CONTRACT

Mr. YOUNG. In an earlier conversation about the Gander crash, you commented that we no longer contract with Arrow Air?

General JOHNSON. I said we don't currently have a contract with Arrow Air.

Mr. YOUNG. Does that mean that we are not using them any more, period, or not today?

General JOHNSON. They currently don't have a contract with the U.S. Government. They are not on our list of qualified carriers.

At some point they will want to get back on the list and we will evaluate them very carefully. In fact, we are evaluating them very carefully.

Mr. YOUNG. Is this because of the Gander crash?

General JOHNSON. Because of the publicity associated with the Gander crash. They are still in business. They have done some contracting for the Lott Polish Airline in the passenger business.

They are primarily in the cargo business. They have chosen not to change their name. They are quite a different airline now. They have all the things that you asked me about—good training, maintenance and so forth. And at some point they will come back and ask for business in the cargo business I think.

Mr. YOUNG. Thank you, Mr. Chairman.

Mr. MURTHA. General Johnson, we certainly appreciate you coming before the committee, and your frankness and the fact that you know what is going on in your command. I know when you have such a widespread command, where somebody else is buying the equipment and furnishing it to you, some commanders wouldn't take responsibility for that, but you take responsibility because you know you are going to use it. We appreciate your testimony. We will have an additional question for the record.

The committee adjourns until 10 o'clock tomorrow.

[CLERK'S NOTE.—Question submitted for the record and the answer thereto follows:]

CINC INITIATIVE FUND

Question. In fiscal year 1990, Congress appropriated \$50,000,000 for a CINC Initiative Fund. These funds are in addition to those already requested in the budget and were to be available for high priority readiness and sustainability needs of the various CINCs. Have you requested any of these funds? If so, how much and for what purposes? If not, why not?

Answer. Yes, we requested approximately \$9 million for several high priority programs within USTRANSCOM. These programs were targeted at improving our ability to monitor, control, and maintain visibility over the movement of passengers and cargo throughout the Defense Transportation System during both wartime and peacetime. The approval process has not yet been completed and we do not know which programs will be funded.

[CLERK'S NOTE.—End of questions submitted for the record.]



TUESDAY, FEBRUARY 27, 1990.

COMMANDER IN CHIEF, UNITED STATES PACIFIC COMMAND

WITNESS

ADM. HUNTINGTON HARDISTY, U.S. NAVY, COMMANDER IN CHIEF, U.S. PACIFIC COMMAND

INTRODUCTION

Mr. MURTHA. The committee will come to order.

Today we are pleased to welcome Admiral Huntington Hardisty, Commander in Chief of the Pacific Command, who has more area under his command than any other commander.

Today's hearing is closed due to security considerations. We will place your full written statement in the record, Admiral, and if you will summarize for us, then we will get right to the questions.

SUMMARY STATEMENT OF ADMIRAL HARDISTY

Admiral HARDISTY. Thank you, Mr. Chairman. It is good to be here today. I will submit the formal statement for the record and make a few brief opening remarks.

I am certainly pleased to be here to discuss the importance of the Pacific Command during an era of remarkable change. From a global perspective, the changes have been very positive, as nation after nation has thrown off the yoke of Communism and dictatorship to experience the exhilaration of freedom and democracy. This progress is the direct result of a long range multilateral strategy of deterrence and containment adopted by the United States more than four decades ago. The success of this strategy is a credit to the vision of our leaders, the steadfast support of Congress, and the resolve of the American people, our friends, and our allies.

CHANGES IN THE PACIFIC

But while dramatic change has swept both Eastern Europe and the Soviet Union, the much publicized reduction of arms has not been reflected in the Pacific theater. There have been troop reductions along the Chinese border; the Soviets have begun to phase out obsolete equipment; and the Soviet Navy is staying closer to its own shores because of budgetary constraints. But in the Pacific, 1989 saw democratic trends reversed in China; democratic government attacked in the Philippines; a dangerous and unpredictable regime still in power in North Korea; continued fighting and misery in Cambodia; increased drug trafficking and refugee problems in Southeast Asia; and qualitative improvement in Soviet capabilities in the Pacific.

REGIONAL INSTABILITIES

I strongly support the reduction of global tensions. But I would point out that threats to our long-term national interests still exist. This is particularly true in the Pacific, where instability could threaten the future economic viability of the United States. The economic balance of the world has shifted to the Pacific, and our economic future is increasingly intertwined with the markets and resources of Asia and the Pacific.

Sources of potential regional instability still abound; while we hope for a moderation of North Korean attitudes, their military capabilities are still growing; ethnic tensions are on the rise, along with the related problem of religious fundamentalism; new regional powers are emerging whose interests could collide in strategically vital areas; trade rivalries between growing but fragile economies threaten to disrupt our relationships; and, finally, the Soviet military retains major capabilities in the region.

In short, while global threats are diminishing, regional instabilities which could threaten U.S. interests and the lives of U.S. citizens still present valid security concerns.

At this time of upheaval, our national interests remain unchanged, as do the moral values which produce our strong commitment to maintain our freedom, security, and democracy; and advance the blessings of liberty, free market economies, and respect for human rights worldwide. These national objectives must continue to drive our strategy in times of dynamic change. We must remain a global power, prepared to protect and advance our global interests.

PACIFIC COMMAND'S STRATEGY

Based on these considerations, I have reviewed and revised the Pacific Command's strategy. I have concluded that our present "economy of force" strategy, which relies on lean forward deployed forces in the Pacific, is fundamentally sound. It provides us unique access and influence in the fastest developing region of the world. It maintains an effective deterrent while supporting our allies and the advance of democracy. It encourages the stability required for economic growth and security. And it allows us to respond rapidly and decisively in time of crisis.

However, the focus of this strategy has shifted to emphasize regional stability, increased allied contributions, and expanded military to military contacts. Accordingly, some adjustments to our focus and structure can and should be made. My recommendations for such adjustments will be reflected in the President's upcoming report to Congress.

The essential element of our strategy for stability is the forward deployment presence of high quality people, strong, flexible forces, and the infrastructure required to support them. Any security adjustments we make must be carefully considered and fully coordinated.

SUMMARY

We must not repeat past mistakes which sent the wrong signals to friends and adversaries. Most importantly, any changes we make

must support regional stability, so that the savings we seek today are not paid for by the future generations. The United States must remain a Pacific power. Our economic and political future are closely linked to the other nations of that region. Now, for the first time in decades, we see more opportunities in the world than threats. We must seize those opportunities to shape the future. Tomorrow's challenges will require that we maintain regional balance and security in the Pacific as we evolve a multipolar world. Military forces of the United States Pacific Command will play a key role in ensuring stability and advancing U.S. interests in the Pacific—so that we can continue to enjoy the dividends of peace into the 21st Century.

Thank you, sir.

[The statement of Admiral Hardisty follows:]

Statement of Admiral Huntington Hardisty

Mr. Chairman:

It is a pleasure to be here today to talk about the Pacific Command. You and the distinguished members of your committee have repeatedly shown interest in preserving America's vital security interests in Asia and the Pacific. As a Nation, we have reason for pride in our success in this region: employing only about sixteen percent of the active U.S. military strength, we have helped maintain regional stability for over forty years in an area that encompasses half the globe. We have accomplished this through forward deployment, force readiness, and visibility support for our allies and friends. With your help, I believe we can continue that achievement.

Much has changed globally since last year. We are more hopeful of a world free from the oppression of the old communist regimes and a world moving to reject criminal exploitation by drug cartels and dictators.

In the Asia/Pacific region, the U.S. strategy of containment and the deterrence measures associated with that strategy have been successful and we are shifting our focus for the future from bipolar (U.S. - U.S.S.R.) to multipolar and regional considerations. With the exception of Europe, all the regional powers emerging in the multipolar world will be in or border on the U.S. Pacific Command (U.S., Japan, U.S.S.R., China, India). The region is in a transition period with change as the dominant factor. Therefore, our focus is changing to best serve U.S. interests as we move forward into the next century.

We have three broad regional objectives for the future. First, we wish to maintain an overall environment of stability and regional balance in which democracies can flourish and economies can grow. This is best served by presence, positive involvement, security assistance, and by building trust and confidence. Second, we will want to continue to expand bilateral military-to-military relationships throughout the region where such relationships support U.S. security economic, and political interests. Finally, we should maintain a deterrent posture where circumstances warrant; the Korean Peninsula is the prime example. These objectives will best support U.S. political, economic, and security interests and will carry us through the 1990's and into the next century.

To attain these objectives we must have forces that are combat ready; configured for rapid reaction and mobility; and positioned such that they can react across this vast theater in a timely manner to any crisis or threats to U.S. interests or citizens.

In addition to this focus on regional stability and balance, we also must keep our global war plans and capabilities up to date. The capability of soviet forces, even in this uncertain period of promising developments inside the Soviet Union, demands that we do so.

Our Pacific strategy must deal with the realities of the region -- diversity, change, increasing U.S. interests, and the need to maintain the confidence of our allies.

Asia and the Pacific are continuing a period of impressive growth. Old values and relationships are changing, and the balance of political, military, and economic power is changing as well. In the past, we were the dominant partner in the network of bilateral relationships and alliances that worked to maintain peace and stability in the Pacific. But now, some of our allies are our most vigorous economic competitors. Political developments across the region have nurtured new levels of nationalism that we must understand and appreciate as we work with old friends. Newly independent nations in the South Pacific watch us closely as they search for their own national identity and direction. We are operating carefully in this changing international environment, ensuring that we do not confuse our friends or undermine the alliance structures that have proven so successful in the past.

I will amplify the importance of Asia and the Pacific to future U.S. national interests, the threats to peace and stability that we face in the 1990's, and our approach for confronting those threats. I will sketch the critical roles played by our friends and allies in our strategy, and conclude with a brief analysis of the forces and key programs that we must have to accomplish our challenging mission.

Importance of the Pacific

Throughout decades of change the United States has provided a stable, firm presence for freedom and security throughout the Pacific Region. It is unquestionably in our interests to continue to do so as we look forward to the Twenty-

first century.

We have entered the century of the Pacific ten years earlier than we might have imagined. America's economic and political well-being are inextricably linked to the nations of the Pacific rim. The U.S. and Japan together account for 40% of the gross world product. U.S. trade with Asia and the Pacific has exceeded our trade with Europe for the past seventeen years, and is greater now than our combined trade with our North and South American neighbors as well. Today the Asian gross national product equals that of Europe and is growing at an average rate three percent faster than that of Europe. The United States' future economic success will be closely tied to economic success in Asia.

Almost two-thirds of the world's population lives in this area now, and the number is growing. Democracy is advancing in general, but its final success is by no means assured.

Our national security interests directly reflect our regional economic and political ties. Militarily, the nations that maintain seven of the world's ten largest armies are within Asia and the Pacific region, and five of our nation's seven mutual defense treaties are with Pacific nations; we have additional formal security obligations to the Republic of the Marshall Islands and to the Federated States of Micronesia. The United States is and must continue to be a great maritime trading nation. The geography of both the Pacific and the Indian oceans makes the area strategically important not just to the United States but to all the world's major economic powers.

Successful U.S. policy has nurtured positive, unprecedented change. We must now be ready to deal with this success.

The Threat

We applaud the recent easing of tensions in Europe and hope that this will continue until it embraces Asia and the Pacific. We are greatly encouraged by General Secretary Gorbachev's initiatives, by the exchange of visits between U.S. and Soviet military leaders, and by the vigor of ongoing strategic and conventional arms control talks. In my judgement, global war with the Soviet Union is less likely today.

We continue to work toward constructive engagement with the Soviets in the Pacific. As a step in this direction we hope to see U.S. - Soviet reciprocal port visits this year. In the future I look forward to hosting the Soviet far east commander in Honolulu and visiting his command in return. But progress toward peace in the Pacific has not completely paralleled that in Europe, and very real threats to regional stability still exist.

In Korea, our assessment of the potential threat from the north is unchanged. U.S. and allied forces in Korea stand together to face a strong adversary across a troubled border; but unlike the situation in Europe, no mutual force reduction talks are being conducted in Korea and warning time remains very short.

Allied Pacific nations continue to face internal and external enemies whose activities are often unaffected by changes in the Soviet Union. Insurgencies, terrorism, drug trafficking, ethnic unrest, and population and social pressures trouble this region just as they trouble the world.

Regional threats have changed somewhat, but they have not gone away. We must remind ourselves that -- unlike eastern Europe where communist regimes are being replaced by democratic reforms -- in Asia, repressive regimes and dictators have slammed the door on reforms.

Finally, the quantity and quality of Soviet military forces in theater remains formidable. This is not to say there has not been change -- there has been retirement of older equipment, redeployment of some ground forces, and altered patterns of reconnaissance and operational activities. However, improved replacement equipment is being fielded and strong forces still remain in locations from which they can threaten our vital interests in northeast Asia. Soviet power projection capabilities have qualitatively improved, and their modernization of strategic systems continues. Although their intentions appear to have changed, the Soviets retain significant warfighting capability in the Pacific region.

U.S. Goal and Objectives in the Pacific

Our overall goal is to provide a security umbrella for Asia and the Pacific under which U.S. national interests can be attained, democracies can flourish, free trade and commerce can prosper, and basic human rights can be preserved. To achieve this goal we seek access and influence in peacetime; we prepare to deter aggression in time of crisis; and, if U.S. interests, citizens, or allies are attacked or threatened, we are ready to respond promptly and decisively.

We envision a multipolar future world containing six major power centers. Five of those power centers border the Pacific Command:

-- The United States: The major world player and recognized blancer in the region, but facing increased pressures to redcut its presence due to economic competition and budgetary deficits.

-- The Soviet Union: Facing an uncertain future with great internal tensions brought on by reforms and growing nationalistic ena economic expectations of its people; with an external policy focused on attempts to "tap-in" to the Pacific and European economies.

-- Japan: A producer state with prosperity highly dependent on continued access to resources and markets. The world's banker, maintaining significant influence over mayn of the world's industrial nations, but with an aging population and growing social pressures.

-- India: The only regional power in the Indian Ocean in the absence of a balancing power.

-- And China: A regional power also. Modernizing economically, but slowly. Convulsed with a generational leadership change and internal political pressures. Never the less, pragmatic, independent, and beholden to no one.

As the world changes, the threats to our regional goals change. Accordingly, we have relooked our regional strategy for the future. In the Pacific, our past strategy of containment was based on bipolar, global scenario. Such a worst-case condition cannot be completely discounted so long as the Soviet Union retains its current capabilities and its internal reforms set in motion are not completed. However, the most probable threats to peace in Asia and the Pacific now lie in other directions.

Multipolar, regional threats now require an increased emphasis on maintaining regional stability and balance. While there is no "NATO-like" multilateral defense structure in the Pacific to help us to achieve these objectives, we have successfully built a network of bilateral relationships by tailoring our approach to each of our security partners and friends.

Credible U.S. presence in potential trouble spots is one of the strongest stabilizing forces we can offer. The perception that we have the capability to respond quickly to calls from our friends and allies is a strong deterrent. Fortunately, the structure and positioning of U.S. forces in Asia and the Pacific that have been so important to the successful strategy of containment in the past also lend themselves ideally to protecting U.S. interests and citizens by maintaining regional stability. Most of our forces in the Pacific are light and highly mobile. They are easily tailored in size and composition to meet whatever threat arises. We have the necessary plans and forces in theater to provide flexible responsis ranging from a show of force to sustained joint combat operations.

In 1989 we stood up our counternarcotics effort, which I have established as the command's number one peacetime priority. We have made progress in our detection, surveillance, and monitoring missions through the activation of Joint Task Force Five and expect to make even greater strides as the task force's fusion center comes on line in mid-May. We have provided valuable reconnaissance assistance to DEA and their marijuana eradication efforts in Hawaii, and stand ready to support the U.S. Atlantic Command, the U.S. Southern Command, and the U.S. forces Command in counternarcotics missions.

Role of Our Regional Friends and Allies

Pacific regional security is a team effort, and we have in place an alliance network that has served as the foundation for security for four decades. But to continue to succeed, any partnership requires frequent assessment of mutual needs and concerns. The following is an assessment of some of the most topical concerns in theater:

Japan:

The U.S. security relationship with Japan is the linchpin of our Pacific strategy. The Japanese are well on their way toward a self-defense force capable of meeting their commitment to defend the sea lanes out to 1000 miles. Airborne early warning, high performance interceptors, seaborne air defense, and anti-submarine platforms are the prerequisites, and all are being accommodated and upgraded in Japanese defense plans and programs. It is not in the interests of the United States or the stability of Asia for Japan to develop power projection capabilities. Such developments could foster arms races and instability throughout the region. Current developments in the Japanese self defense force therefore support its defensive mission under the Japanese constitution and

and are consistent with a mutually beneficial U.S. - Japanese security relationship.

However, even after achieving their self-defense goals the Japanese will be outnumbered in their own back yard by more powerful elements of the Soviet far east military forces. They will need the continued help of U.S. forward deployed forces to achieve the mutual security objectives of both countries and the region.

Although our military relations are excellent, there are sensitivities. As I reported last year, on Okinawa there is limited real estate for expansion of the economy and therefore sensitivity to the presence of U.S. forces, the land we occupy, and the space in which we train. Japanese leaders realize the importance of U.S. forward deployed forces in the critical northeast Asia region and support our presence, however, and we are working with them to make consolidations wherever possible and to resolve outstanding issues.

The Japanese have done much in the area of burdensharing -- but I believe they can and should do more to help improve stability around the Pacific rim. We have been working closely with OSD to develop innovative costsharing improvements for the maintenance and support of U.S. forces, as well as to increase Japanese contributions to assist economic development, support peacekeeping, and combat drug trafficking. Our overall approach must be comprehensive but measured and must not allow friction in trade or economic relations to undermine a security relationship that is vital to our long-term strategic interests. Maintenance of the close U.S. - Japanese security relationship and a Japanese self-defense force consistent with its constitution is vital to regional peace and stability.

Republic of Korea:

The economic strength of Korea and its improved defense posture is an important regional development. The security situation remains uncertain, however, in spite of some encouraging efforts at North-South talks. The threat from the North has not diminished. Nevertheless, we have proposed ways in which the Koreans can assume greater responsibility for their own defense. While U.S. force presence will continue to be required in the 1990's as a proven deterrent to North Korean adventurism, it is time to transition to a more supporting role, reflecting the Republic of Korea's increased capability to provide for its own defense.

While South Korea is already contributing to the cost of maintaining our forces on the peninsula, we have proposed ways for them to increase their contributions. These initiatives include aircraft maintenance, construction, and labor cost sharing.

Philippines:

The Philippines provide us vital facilities to train and sustain our forces and to protect critical sea lines of communication. We conduct sixty-five percent of our training in the western Pacific in the Philippines; excellent training ranges and facilities at Crow Valley are not available anywhere else in the Pacific and would be extremely difficult to replace. These ranges/facilities also offer opportunities to improve interoperability with our allies. Logistically, Subic Bay gives us a large protected harbor with well developed ship repair, supply, and storage facilities, while Clark Air Force Base has the runways, storage, and material handling capability necessary to handle supply throughput for Indian Ocean operations. There is no single location or combination of locations that can replace what we now have in the Philippines in terms of cost, strategic positioning, and operational efficiency.

I am cautiously optimistic that the government of the Philippines and the U.S. will see it in their mutual best interests for U.S. military presence to continue in the Philippines beyond 1991. I recognize that we will face significant hurdles with the Philippines on issues such as assistance levels, criminal jurisdiction, security of our people, and unhampered military operations; nevertheless, I believe the negotiations stand a good chance of success because of the mutual benefit of the RP/U.S. relationship to both countries. The economic benefits for the Philippines and the strategic benefits for the U.S. make this a win/win relationship for both nations. As partners in forward positioning of U.S. forces, we share with the Philippines a major role in promoting regional balance and mutual security that is important to Asia as a whole. The December 1989 coup attempt temporarily diverted the Aquino government's focus from the renegotiation talks, but we already see evidence that they are preparing to enter negotiations.

In the event of failure to reach agreement for continuing access to the Philippine bases, we do have relocation alternatives. Clearly we prefer not to move: Relocation would be more expensive, disruptive to U.S. Command and Control take years to complete, and would not provide the same geostrategic advantages we now enjoy. Changes in our presence could raise questions among our friends in the area concerning our intentions and staying power, and could provide a vacuum into which others might try to move. But whether we relocate from the Philippines or not, protection of our interests in the region and fulfillment of our obligations to our friends and allies should remain unchanged.

Northeast Asia:

China continues on a path of economic and military modernization, although at a reduced pace reflecting recent political events. The Chinese are key participants in many Asian equations: Sino-Soviet agreements could reduce border tensions; China is a consideration in any U.S. Asian strategy; tensions with Taiwan appear to be easing; China has demonstrated force projection resolve in advancing its claim in the Spratly Islands; we hope China will play an important role in the cessation of hostilities in Cambodia; and China-India talks are an encouraging sign.

Despite the bloodshed at Tiananmen Square and follow-on U.S. government sanctions, I believe that China will continue to look to the West for the technology and expertise it needs. As a fundamental feature of our policy in Asia, the U.S. should continue a relationship with China that offers clear mutual benefits for China's return to peaceful development and encourages Chinese leaders to steer a course that supports stability throughout the region.

Southeast Asia:

The ASEAN nations continue to progress in political and economic cooperation. We have developed strong and viable bilateral friendships with the armed forces of each of these nations. Mutual defense arrangements with Thailand and the Philippines and enhanced security cooperation with Singapore underlie our commitment to stability in the region.

In Vietnam, we have reason to hope that our joint progress on MIA issues will lead to continued improvement of relations between our nations. The Cambodian conflict remains a destabilizing factor in the region. We continue to support the efforts of ASEAN countries and the United Nations in their initiatives to provide a comprehensive solution to that conflict and to restore peace and human rights.

Thailand remains our staunch ally bordering a communist dominated Indochina. The U.S. - Thai military relationship has continued to grow; we have greatly improved our interoperability with Thai armed forces as exemplified in Cobra Gold, a joint/combined exercise that is now the largest such training effort the U.S. conducts in Southeast Asia. The War Reserve Stockpile Program, which we signed with Thailand in 1987, has been implemented and will enhance the Thai armed forces' capability to sustain combat in defense of Thailand. Under the terms of this program the U.S. and Thailand will establish a joint stockpile of munitions for use by all services of the two countries. We are also cooperating closely with the Thais in the establishment of a new air defense system, and providing them limited security assistance funding. These activities are tangible evidence of U.S. commitment and resolve to maintain our important friendship with Thailand. Thailand plays a critical role in any counternarcotics effort in Southeast Asia and our security relationship fosters Thai cooperation in that effort.

Indian Ocean/South Pacific:

Our alliance relationship with Australia is very close and will remain a partnership based on shared goals and interests. The Australian government remains committed to deterrence and arms control through participation in joint facilities and the granting of access to U.S. ships and aircraft. Our bilateral relationship with Australia under the ANZUS Treaty remains a cornerstone of stability and peace in the South Pacific and Southeast Asia. I am encouraged by the existing strength of Australian-U.S. relations and its bright outlook for the future.

In implementing our strategy we must continue to focus a significant level of attention on the South Pacific. Disaster relief efforts, civic action projects, and various security assistance programs are serving our mutual interests and providing much-needed training opportunities and secondary benefits to the island countries. We are increasing ship visits throughout the Pacific to main-

tain U.S. access and influence and to promote U.S. interests in this area. We are concerned over efforts to form a nuclear free zone in the South Pacific and to challenge U.S. nuclear disclosure policies.

Regrettably, the government of New Zealand's ship ban policy caused us to suspend our security obligation to New Zealand under the ANZUS Treaty. It's a sad thing to happen between old friends and allies, and the result is diminished security in the South Pacific and elsewhere. We look forward to the day when we can return to trilateral cooperation under the ANZUS Treaty, but not at the expense of our "neither confirm nor deny" policy. In the meantime, our regional alliance interests reside in the strong bilateral security relationship between the U.S. and Australia.

India continues to grow militarily as a major, non-aligned power in the region. India's military buildup in both defensive and offensive systems, mostly of Soviet origin, is impressive. While the Soviets continue as their major arms supplier, India is a democratic country with vital interests in a successful relationship with the West. There is mutual benefit in more extensive and generally improved military-to-military relations between the U.S. and India. An improving relationship between India and the U.S. should not be cause for concern among our other friends in the region. Because the U.S. government recognizes the potential India holds for being a stabilizing force in the region, we are expanding our defense contracts with India to enhance prospects for mutual cooperation.

What do we need?

The keys to achieving our goals in Asia and the Pacific are combat ready, properly equipped and properly positioned forces, and a network of healthy bilateral relationships. Particular areas of concern to me are:

(1) Crisis Response, Force Projection, and Conflict Operations - Essential to the success of our defense policies are U.S. conventional forces -- highly quality forces that are trained and ready to fight; capable of force projection whenever and wherever required; and supplied and sustained with equipment and weapons that will be able to counter a numerically superior enemy or one equipped with advanced weapon systems.

With some adjustments, our current force structure is appropriate for our strategic objectives in Asia and the Pacific independent of force level changes on Europe's central front. But the Pacific is already an economy of force theater; we must be cautious and deliberate in addressing changes in our forward deployed force strength. Small reductions send signals far out of proportion to any real savings.

(2) Force Deployment - To enable us to move promptly and decisively and reinforce or resupply as necessary, maritime superiority and strategic lift are critical. We must have the ability to protect our lines of communication from air, surface and submarine threats under all contingencies, along with the strategic and tactical lift necessary for us to get to the crisis area in a timely manner.

(3) Command, Control, Communications and Intelligence (C3I) - Our defense posture requires C3I resources adequate to prevent surprise and capable of the timely direction and control of our forces. The capability to assess developing situations early and accurately is basic if we are to provide timely response across half the world's surface, and our readiness is highly dependent upon our ability to monitor and control military response crisis situations.

(4) Support to Allies - A security assistance program with appropriate flexibility and less earmarking provides us enormous dividends in sustained influence and access to our Asian and Pacific allies. Cooperation programs, combined exercises, international military education and training, and humanitarian and civic assistance under Title 10 generate remarkable political-military benefits at low costs. These are extremely cost effective methods of maintaining access and influence. Continued Congressional attention to these programs is necessary.

Conclusion

Our nation's strategy of forward deployed forces, bilateral alliances, and military-to-military contacts has worked for many years in the Pacific. Our security posture today is in good shape. We have high quality, well trained, well equipped men and women in our armed forces, and strong relationships with our friends and allies.

We recognize the changes in the world, and we have taken the initiative to change our focus for tomorrow in a way that will continue to support our nation's

fundamental interests in the Pacific: Peace, prosperity, economic security, democracy, and support for human rights. But perceptions are critical: We must ensure that we make no adjustments in our posture that would weaken the confidence of our friends in the area and draw into question our resolve to remain a power in Asia. Stability is fundamental to our achievement of our goals, and in the Pacific more than in any other region security relationships are a foundation for our political and economic influence.

Economic, political, and military trends all show that a stable and secure Asia and the Pacific will be central to America's future. The U.S. Pacific Command is an economy of force theater, with forces well positioned and configured to maintain regional balance and stability. We achieve tremendous benefits shared with our allies and friends from access and influence for relatively little cost.

Finally, I must compliment the finest force of all volunteer soldiers, sailors, airmen, and marines that I have seen in my 38 years of military service. The men and women of the U.S. Pacific Command are maintaining impressively high levels of readiness, dedication, and skill. I am proud of them and believe we owe them our full support, especially in the pay incentives and quality of life programs that are so necessary to retain our most valuable resource -- our people.

Speaking of top quality people, I must tell you that Goldwater-Nichols is working well. We've seen a complete turnaround at CINCPAC Headquarters -- the Services are sending us some of their very best. The promotion rates attest to this, and Goldwater-Nichols can take full credit for this excellent change. The impact on our interoperability and joint operations has been equally impressive.

The Administration, the Congress, and the American people can be proud of the accomplishments of the men and women who serve in the U.S. Pacific Command. I am convinced that we need to continue our forward basing and must strengthen our bilateral relationships throughout the region to ensure that the resources and markets critical to our economic growth remain available, and so that we can maintain our political and security leadership roles in Asia and the Pacific into the twenty-first century.

KOREA AND PHILIPPINES

Mr. MURTHA. Thank you very much, Admiral. We appreciate your concise summary of the situation in the Pacific.

I want to talk about Korea and the Philippines a little bit, but I want to wait until Charlie Wilson comes, because he has been saying over and over again that we ought to be able to withdraw a lot more troops from Korea than the President is willing to recommend. At one time I believed that it was possible, but after my trip over there and after talking to you, I have changed my mind.

But I want Charlie to hear that so if the Members would wait until he comes before we discuss those two issues.

AIRCRAFT CARRIERS

Let me ask about the aircraft carriers and covering the Pacific. I think it was the CNO that testified last week that if you had a carrier deployed to the Indian Ocean, it takes four or five ships to support that carrier. In other words, it is 45 days out to the Indian Ocean, and it is 45 days back. It is, I guess, 90 days on station, and then, for course, you have got all the repair and work up that you have do do beforehand.

What is your recommendation to the Chairman of the Joint Chiefs about the number of carriers? Can we get rid of one carrier in your area of responsibility?

Admiral HARDISTY. We could, Mr. Chairman, but it depends upon the commitments.

Indeed, you are absolutely right. The distances to be on station in the Indian Ocean for four months require 45 days transit each way. Given this deployment time our sailors also need a couple of liberty ports. I think 14 carriers is the minimum. We are recommending that we give up two battleships. The carriers are very important. You know how often we have used them since World War II. We get a lot of bang for the buck. I would rather lose other forces than lose the maritime flexibility in the Pacific, which is a maritime AOR.

Mr. MURTHA. Mr. McDade.

Mr. McDADE. Thank you, Mr. Chairman.

Admiral, welcome, and I want to tell you what a fine job we think you are doing with your colleagues.

You said if forced, you would go to other areas. What other areas would you go to get something equivalent to the savings you would get taking down a carrier?

Admiral HARDISTY. Are you talking relocation from the Philippines?

Mr. McDADE. I am asking your professional opinion. Suppose we get a cut. What I was trying to get a sense of was that if you didn't want to give up the carrier battle group because of the requirements that you currently see, you said you would have to look in other areas; where would you look?

Admiral HARDISTY. Given our overall posture, I think we need to be forward, Mr. McDade. I would have to take it out of the other forces. I need the mobility and flexibility for Third World access—presence—in an area that represents 50 percent of the world. The base structure is shrinking. We need a strong Army and Air Force,

but if I had to set my priority, it would have to be with naval forces because it is a maritime AOR.

SOVIET THREAT IN THE PACIFIC

Mr. McDADE. There is a statement in your testimony that we are shifting our focus for the future from bipolar to multipolar and regional considerations. The region is in a transition period with change as the dominant factor.

Would you characterize for us your perception of today's Soviet threat in the Pacific?

Admiral HARDISTY. The threat is a combination of political will and capability. I think the political will and the Soviet intentions have changed. Their qualitative capability in the Navy and Air Force in the Pacific has not changed. It has changed with their army presence along the Sino-Soviet border.

In the Pacific, we have always had bilateral security arrangements. We don't have a NATO-type organization. We have strong bilateral security agreements. The U.S. is the glue that holds all that together.

Since World War II, we have had a regional focus. Certainly the primary threat was the Soviet Union. Today we are an economy of force. Only seven percent of all U.S. military are forward deployed in the Pacific.

That is 50 percent of the world. We're talking about taking down 10 or 12 percent of our forces. We get a lot of bang for our buck out there. Our forces mean access, influence and providing economic security as well as protecting American security interests.

Mr. McDADE. Would you lay out the security interests in which we are the glue?

And what changes have you noticed in Soviet submarine deployments, the number of surface ships and aircraft overflights?

Admiral HARDISTY. The security interests include five out of seven U.S. mutual defense treaties, plus the Compact of Free Association with the Republic of the Marshall Islands, and the Federated States of Micronesia.

As concerns Soviet submarine deployments, I don't agree with the assessment indicating an increase in their deployments. I still see 1988, 1989, about the same number of Deltas. They are in the bastions. I don't see an increased Soviet submarine deployment.

Mr. McDADE. Do you see any decrease?

Admiral HARDISTY. No, sir. I didn't see a decrease. The average Delta deployment, strategic submarine deployment, have been about the same over the last two to three years. The Yankees and older submarines are not forward deployed anymore. They are in more of a theater operation mode in the Pacific.

They are in the bastions. However, the Deltas can fire from Vlad or Kam so they don't have to go far to sea.

I think maybe that answers the question, sir.

Mr. McDADE. What about surface ships?

Admiral HARDISTY. They are more defensive in orientation, not so many out of area ship days. They are training smarter using modular and shore-based training. They operate only 10 to 15 percent of the time. The Soviets feel it is better to be ready to go to

sea than to be at sea. We feel if you don't operate, you are going to have a problem, a problem in practicing your warfare specialty when you have to do it.

The other issue is morale, like flying hours and steaming hours. If you are an aviator, you join the Navy or Air Force to fly. You have to have a certain amount of that to have a quality force. The Soviets have a tremendous morale problem with their people today.

SOVIET OVERFLIGHTS

Mr. McDADE. What is the picture with aircraft overflights in the Pacific?

Admiral HARDISTY. Certainly not what we saw. In fact, we have never figured out whether Secretary Gorbachev did it consciously. He probably did. The flights near Canada and north of Alaska with the Bear Hotels stopped a year-and-a-half ago. The AS-4 capable Bear Golfs with the AS-4 do come out. They run the Aleutian chain. The number of flights is down significantly. There were none with the Hotels and maybe six last year with the Golfs.

They still overfly carrier battlegroups with their surveillance and reconnaissance aircraft, but even these overflights are down.

STRATEGY OF PACIFIC COMMAND

Mr. McDADE. Given all that, what are the implications in your opinion for U.S. strategy, tactics and out-year forces in the Pacific?

Admiral HARDISTY. Well, sir, I'm sure you have seen articles in the paper. Secretary Cheney has just had a very successful visit to the Philippines, Korea and Japan. You may have heard figures of ten to twelve percent reductions. I won't get into those specifics because the President will be reporting to you on these issues April 1.

We have only seven percent of all forward deployed forces in the Pacific Command.

In our area economic interests will dominate the 1990's. Japan and the U.S. account for 40 percent of the world's production of manufactured goods. Our trade with the Pacific has exceeded that with Europe for the last 17 years. The Pacific has two-thirds of the world's population. The Gross National Product of the area will double by the year 2005. We get a lot of bang for our buck with the limited amount of military people that we have forward deployed. No doubt the economic factor will be key. Our security relationships which are strong will help us with the economic issues with Korea, Japan, and the four tigers in Southeast Asia. Our economic situation and other interests in the region require that we remain a world power—that is our legacy. I think we all agree with that—we also want peace and prosperity. We don't see all that yet. We are adjusting but the need for forward deployed forces remains. We will draw down due to budgetary constraints and lessening of tensions. However, I don't want to draw down too much until we know where we are.

THIRD WORLD MISSILES

Mr. McDADE. We have had a lot of discussion about tactical ballistic missiles in the Third World. What kind of a concern is that with your command?

Admiral HARDISTY. It is a concern with China, Pakistan and India. We watch that closely. Secretary Cheney mentioned in his speech in Japan as to why this area is unstable. He had six reasons why we need to stay in the Pacific and remain a Pacific power. One was our concern about the proliferation of Third World missiles, ballistic missiles, chemical weapons and the possible nuclear powers that will be coming along.

Mr. McDADE. The hot button areas you would identify for that activity would be——

Admiral HARDISTY. Pakistan has developed a ballistic missile. India has the Agnee and China continues developments. North Korea —— and China is selling CSS-2 missiles. There is great proliferation in my area, sir.

AKULA SUBMARINES

Mr. McDADE. Can you tell us about specific activity of the Akula class submarine in the Pacific during the past year?

Admiral HARDISTY. Not too much out of area operations. We have not seen it other than in the Seas of Japan and Okhotsk. They operate between Kamchatka and the Kurils. At slow speeds, it is very quiet. The first took a couple of years to get the crew trained and operating. We observed that. The last two to come along have gotten to be operationally ready faster. There was a learning curve. It is a fine submarine, not as good as the SSN-688 or not nearly what the SSN-21 is going to be, but it will be a formidable opponent in the ASW warfare area in the event of conflict.

Mr. McDADE. Thank you.

Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Hefner. I asked for us to wait until Charlie gets here to talk about Korea. He will be here shortly. I want him to hear it. He has been urging us to reduce the number of troops in Korea substantially. We will have General Menetrey here also, but I want him to hear Admiral Hardisty's opinion about how far we can go in reducing troops.

CINCS INPUT TO THE DEFENSE BUDGET

Mr. HEFNER. I would like to welcome you to the committee, Admiral. We have always been concerned about the commander's ability to let the Defense establishment know what they need. Have you been able to do that?

Admiral HARDISTY. Yes, sir, I have. We are very involved in the requirements and the resource process since Goldwater-Nichols. I am very happy with it. I am consulted. Yesterday, the Joint Chiefs and the Unified Commanders met with Secretary Cheney and the Chairman. We met for about four hours, looking at requirements, the five-year defense plan and where we go with the 1991 budget.

Mr. MURTHA. Did he talk to you before they made the reductions?

Admiral HARDISTY. Yes, sir, my commander in chief of the Pacific Air Force consulted with me about four months ahead of the announced three base closings in Korea. They make pretty good sense

to me. It is an economy-type issue. It is not crucial to my combat power in Korea. It is a deficit budget adjustment we chose to make, sir.

Mr. HEFNER. What are your most pressing needs right now?

Admiral HARDISTY. Well, priority-wise, sustainability is still a problem. Base operating support, maintenance of real property particularly in the Navy. We have a big investment in the plants and we have to start doing something about that. I am also short of munitions. The threat of a global conflict is very diminished. I think we put the money at the right place in the 1991 budget. We certainly did the right thing in protecting our people. That is the most important concern as we build down the force—

QUALITY OF LIFE

Mr. HEFNER. Are you talking about quality of life?

Admiral HARDISTY. Yes, sir I am indeed; pay, quality of life, housing, medical, those type of things are key to a quality force. I would support that above anything.

Getting into military hardware and what have you, I think sustainability and maintenance of real property and base operating support are something we need to concentrate more on in the future.

DEFENSE BUDGET

Mr. HEFNER. I know this is an unfair question, but if you were Secretary of Defense for a day, what would you put in the budget that is not in there? I am not asking you to second guess the Secretary—I guess I am, too, aren't I?

Admiral HARDISTY. This is a closed hearing, thank goodness. Secretary Cheney will probably fire me. I think, he has got a tremendous problem. Everyone is looking at taking more out of the budget. The Service Secretaries, the Chiefs with the concurrence of the unified commanders have cut this budget as much as we can without really unraveling the force.

If we unravel too quickly we are going to force people out involuntarily.

Mr. MURTHA. What do you mean by unraveling?

Admiral HARDISTY. Well, I understand Chairman Aspin signed out a letter that would require among other actions, the loss of 38,000 people in the Navy by October 1.

Mr. MURTHA. You are talking about if the military personnel reprogramming is not approved?

Admiral HARDISTY. Yes, sir. What I am saying is we can build the force down, but we have got to have time to do it. I won't put anything else in the budget. I think the Secretary is going to have to take some things out, Mr. Hefner.

BURDENSARING ISSUES

Mr. HEFNER. Years ago my subcommittee on Military Construction emphasized burdensaring long before it was real popular. Now it has taken on a life of its own. How would you characterize the considerations of our allies for mutual security in the Pacific? Should they do more?

Admiral HARDISTY. Yes, sir, and they can do more. We are working on that. As you know, one can make numbers and figures say anything you want. About \$7.98 billion is spent to keep our forces in Japan. In direct cost, Japan provides about \$2.2 billion. They provide about \$41 million in indirect costs. So the split is Japan 40 percent, U.S. 60 percent. I would like to see it be Japan 60 percent U.S. 40 percent. We are working with the Japanese Government, now that the elections are over. I think Secretary Cheney said he had discussions and Japan will do more. Japan in their 1990 budget has increased labor sharing by 25 percent. I believe it will be approved in April now that we have had a LDP election and victory. Over the next five years Japan should do more. I believe they will. I hope they will pick up 100 percent of the labor costs and the appropriate yen based costs.

In Korea, we had a different agreement. Korea's direct input is \$288 million a year. We hope to double that in the next year or two. We are consulting about increased ways for burdensharing. In the MILCON area we have problems. Your committee cut overseas Military Construction in the Philippines, Korea, and Japan. I know the reasons that you did that. We would like to see Korea pick up some of the military construction along the DMZ. I think that does contribute to war fighting. Our kids there are not living very well. We need barracks at Camp Casey, I think the Koreans can do that. We have to keep the pressure on.

Mr. HEFNER. I hope you would use all your influence. It seems to me we are in real crunch time now. In years past our allies would drag their feet and the Americans would do it. I think we have to be hard-nosed about it now because we don't have the money.

It is that simple. Our MILCON budget has been stagnant now for the last three or four budget cycles. We have not been able to do the things that we need to do. A recent press article indicates that your deputy stated that the U.S. should not press Japan to assume all costs of forces stationed there because that could give Japan too much say over U.S. operations in the region.

Is that accurate?

Admiral HARDISTY. Well that article was written by Fred Hyde. He had an interview with Admiral Mauz, the commander of the 7th Fleet. Vice Admiral Hank Mauz is not my deputy. Fred Hyde asked him "What more should Japan do?" Admiral Mauz said, "I don't think they should pay our salaries or the cost of U.S. being here. I think they should do more cost-sharing, et cetera. If they pay 100 percent of everything, we may lose control."

I have seen what Vice Admiral Mauz said. Fred Hyde reported part of that accurately. He took several sentences out of a paragraph and that was the report that you saw, sir.

I think Admiral Mauz would say the same thing I do; we want more labor cost sharing. I think Japan can do that. They can pick up utilities, offset some of the O&M, which is a critical area. We are working on that. I think we will be successful.

Mr. HEFNER. I think we have to be a little bit more hard-nosed with these people. It is human nature if you don't have to do it you are not going to do it. What measures, such as percentage of gross national product, is used to gauge whether a given country's defense spending is adequate?

Admiral HARDISTY. I prefer to get into roles and missions. Everybody talks about Japan putting three or four percent of their GNP into their military.

Mr. HEFNER. What is it now?

Admiral HARDISTY. A little under one percent. That is significant. They are now the third largest defense spender in the world, because the GNP is so high. They just out-did West Germany and Europe in their 1990 budget.

There is a great concern in Southeast Asia about Japan going back to World War II military capabilities. That is why people hope we have the staying power and the balance to be the broker in the Pacific. They don't want Japan to fill that vacuum if we move out. Japan has proposed \$50 billion over five years for overseas assistance.

The President, the Vice President, all of us, have urged that money also be used in Turkey, or in Central America. It should be used to help other nations not just in the Philippines or elsewhere in the Western Pacific. They are in the process of doing that. They provide the world's largest overseas development assistance program. In this manner, Japan can do more to offset things that we do and contribute to collective security in Asia.

Mr. HEFNER. There is a big difference now versus prior to World War I in that there are all sorts of powers. Prior to World War I the Japanese were not primarily an economic power because you considered anything made in Japan as inferior.

Now they are killing us with automobiles and all sorts of technology. There are all sorts of wars that you can lose—I don't mean to be bashing the Japanese, but I think that they have got to pick up a bigger share because we are just at the point now where we are losing the war on the economic front, not only with the Japanese, but with other countries. As long as we pick up an inordinate amount of the defense cost it is going to continue to complicate our budget deficit and they are beating us in trade and they are financing our debt. They said they would have more say so—they have a large say so over how our economy operates now, so I think we need to do some hard negotiating in that area.

Admiral HARDISTY. I couldn't agree more, trade issues are severe and significant. That is why we need a strong security relationship. That relationship will be part of the leverage. We have to play hardball on trade issues with Korea, with Japan, with the four tigers. We can do that without leaving Asia. If we play hard ball and stay in there, fine, but if we leave, we will have no influence over what Japan is going to do, trade-wise, military-wise or otherwise.

So I couldn't agree with you more, but we got to hang in there.

Mr. HEFNER. I understand that, but they have a pretty good thing going. We are not going to talk about the Philippines or Korea, but they have a pretty good thing going too. I think we have a lot of room to do some maneuvering and negotiating.

Admiral HARDISTY. I agree, sir.

Mr. MURTHA. We have so many Members here now that I am afraid they will have to leave before Mr. Wilson arrives I am hopeful Charlie will be here soon. I understand he had a meeting or something.

PHILIPPINE BASES

Let's put the Philippines and Korea in the equation. Let me just give you the background of what I know.

I and Bob Livingston, who left a few minutes ago, were on the Election Commission in the Philippines. I was back there right before the coup attempt. The Secretary of State asked me not to meet with Laurel, who is the Vice President, so I didn't find out anything. I met with the President, the Defense Minister and the Foreign Minister. Everything sounded fine. I wrote him a long letter when I go back and one of his aides wrote and said we appreciate your advice. But I told him personally that I felt we had to do more. I told Mrs. Aquino, her brother-in-law, and the rest of the people in the Philippines, if they didn't quit this complaining about the U.S. presence that they were going to get Congress upset and they were going to lose the bases.

What is the implication to the U.S. of losing the Philippines? What does that mean and how important is it to our strategy in the Pacific?

Admiral HARDISTY. It would be a real setback for democracy if we pull out. As a democratic nation, we must continue to support democratic principles and young democracies. Lee Kwan Yew has asked us to come to Singapore. I have been to Indonesia. I was in Thailand, and talked to Prime Minister Chatchai and Supreme Commander Chawalit last week. It is in their best interest that we remain. Our presence creates a secure and stable environment in Southeast Asia.

From a military standpoint there is no better geographic location. We are sitting on top of the three straits where 80 percent of all the raw material transit. Fifty percent of all the oil going to Japan, Korea, et cetera comes through there. The Philippines are a key location strategically.

As for training, 70 percent of all the training in the Western Pacific is done in the Philippines. The Bataan Peninsula is the only place that we can do combined arms amphibious live fire training. Crow Valley is like Red Flag at Nellis. It is the most sophisticated overseas range in the world. Many of the the ASEAN nations exercise there.

If we leave the Philippines we have to protect access to that training. We might be able to work that, understanding it creates a security problem.

Mr. MURTHA. There is no place else, as I understand it, that would have facilities available?

Admiral HARDISTY. No, sir. You could go to Tinian—it would require considerable MILCON. You could go to Guam, but Guam is a small place, even though the B-52 squadrons are coming out of Andersen. There is some growth potential. There is no skilled labor force in Guam. They won't allow the Filipinos to work in the shipyard. To expand the shipyard and replace the SRF at Subic, would require a U.S. labor force. The cost is going to skyrocket. ———. He said, "it will be like the British Empire and budget deficits. Isolationism may cause you to leave. The U.S. is the key to the future." He also said the U.S.-Japan relationship will be the most important one in the world by the year 2000. I think it will be.

Mr. MURTHA. Mrs. Aquino won't see Secretary Cheney. Do they want us there?

Admiral HARDISTY. That is a good question. They better quit posturing. Secretary Cheney was sincere, and said it all with General Ramos, the Defense Minister. I said that three months ago. I was there the day before the coup started. I said you are going to have to speak up if you want us. I said it is in your best interests and ours, particularly the Armed Forces of the Philippines, for us to be there, I advised them not to have to create a self-fulfilling prophesy as in Thailand in 1974. We didn't want to leave, the Thais didn't want us to leave. We left fulfilling the prophesy. ———.

Mr. MURTHA. Mr. Dicks.

SOVIET PRESENCE IN THE PACIFIC

Mr. DICKS. It seems to me, Admiral, that we take peace for granted sometimes. We have had peace and stability in this region since the Korean War. Some people characterize that because we have had U.S. troops and commitments there that have been honored and kept they have served as kind of a stabilizing factor in the region. kind of a stabilizing factor in the region.

Now, it seems to me that Secretary Cheney is basically on the right course. In other words, the overall situation warrants some decrease in our military commitment, but I think that ought to be rather prudent. I think we ought to be talking about the Soviets. They are making a major decrease in Eastern Europe, but they

Admiral HARDISTY. Yes, sir, you are. I got into that a little earlier in describing the Soviet threat. Some of the Soviet forces have left Cam Ranh Bay but they still continue to build infrastructure as if they are coming back again another day.

Their aid to Vietnam is now down to \$2.3 billion from \$4 billion. They are winding down. We were in Subic a long time before the Soviets came to Cam Ranh Bay, because of our national security and economic interests. I agree the Soviet bear is not going away in the Pacific. The rapid changes in Eastern Europe continues to unfold and occupy everyone's attention. We haven't seen that translated to the Pacific yet.

If we do, we are standing by to make proper adjustments. I think prudence first, understanding the budget climate, and the easing of tensions. Political will notwithstanding, the Soviet capability is still there.

REPUBLIC OF KOREA

Mr. DICKS. So the question is yes, if Cheney says ——— can we go further than that? You still you have to have credible forces there, too. At some point, if you cut it in half, how low can you go?

Admiral HARDISTY. General Menetrey and I testified a couple of weeks ago on that subject, as regards maintaining a trip wire in Korea, with limited forces you are going to get U.S. people killed, because they can't defend themselves. We can cut down on the combat support, make some adjustments. The Air Force has made some ——— people. We are going to close U.S. presence at three

Korean bases, drawing down ——— in Japan over the next three years. Ten to twelve percent is the figure that he was quoted with.

Those are General Menetrey's and my recommendations to the Secretary. We have had a good input to what our force level should be. I don't know how it is going to come out. I don't know what the President will report to you on April 1, that phased transition is about right.

We want the ROK to take over the leading role for their defense. They will need our air power, and they can't replicate it. We will be in Korea as long as they want us, and as long as we feel we should be there.

The North-South dialogue is not going very well. The likelihood of North Korea opening up, given what is happening in Europe is not good. They are the last closed society around other than Vietnam. As we adjust our forces, we will have to continue looking at the North Korean equation. I think the Soviets ought to end World War II with Japan, give the four northern territories back. Not as a quid pro quo but rather on its own merits without drawing down our forces. That is between Japan and the Soviet Union. If Gorbachev really puts his money where his mouth is, he will get out of Cambodia and negotiate with Japan. Those and other issues stand in the way of U.S.S.R. Pacific power ambitions.

Mr. MURTHA. You can't move the troops to Okinawa and pull a division out of Korea?

Admiral HARDISTY. ———.

Mr. MURTHA. Say that again.

Admiral HARDISTY. I knew that would get your attention, sir. As we make adjustments in Japan ———.

Mr. MURTHA. Are you going to put them in Hawaii?

Admiral HARDISTY. Yes, sir. ———.

Mr. MURTHA. So you see the Army staying in Korea, that would be your recommendation?

Admiral HARDISTY. Yes, sir. I have three divisions in 50 percent of the globe. I have the 6th Light ID in Alaska, and 25th in Hawaii, and the Second Infantry Division in Korea. We will structure a division in Korea as the ROK takes over the leading role ———.

Mr. MURTHA. Can you explain why a country that is twice the size with a phenomenal GNP and with a bigger population cannot defend itself against the North Koreans?

Admiral HARDISTY. That is a good question. Many look at how much Japan provides and compare that to Korea. As you know Korea in spite of ten percent growth, is still basically an agricultural nation. The quality of life for that farmer is not as good as in Japan.

When you consider that and ask them to do more, even in trade, they say that is going to hurt. They are an agrarian kind of a society. I believe they can do more and they will. They could put more in the reserves. They have more people. Putting more into defense, could hurt the balance and affect a fledging democracy.

Mr. MURTHA. I am saying can't they, with the armed services they have today defend themselves against North Korea? They just aren't able to defend themselves with the large Army that they have?

Admiral HARDISTY. They are outnumbered. They are outgunned. They are out tanked. The North Koreans have got their first echelon on the DMZ, where an accident can happen. Warning time is going to be ———. You have the second echelon——

Mr. MURTHA. Warning time is an issue, because the North Korean troops are deployed right up front?

Admiral HARDISTY. Yes, sir.

Mr. AuCOIN. Would the Chairman yield?

Mr. MURTHA. Yes.

Mr. AuCOIN. The South may be outgunned and out tanked, but part of the reason for that is it is putting its resources into products that are flooding American shores with commercial products. I think there are a growing number of people in Congress who believe that South Korea ought to be starting to put some resources into its own self defense to be up there forward deployed, meeting that threat to them. I can understand how comfortable they feel with the current arrangement. We put our military resources there, they divert their resources into commercial products, swamp our shores, displace our workers, run a huge trade surplus. That is wearing thin.

I come from probably one of the most pro-trade constituencies you will find in this country, and they are getting fed up with the amount of investment, Mr. Chairman, we are making in Korea and in other places, when we see an economy there that is capable of doing more in its own self defense.

I know there is a rural and agricultural component in the South, and I heard the Admiral when he stated that, but I would have to observe that the North has the same characteristics in spades. It is not an industrial colossus, and when you compare the industrial strength of the North and the South, the South comes off way better.

So I think we ought to be thinking about that and I just take this time to put that into the record, because if you ignore that aspect of it, I don't think you are looking at the matter realistically, or in the way that an increasing number of Americans, regardless of political party, or regardless of where they live in this country are looking at it. I think they are getting fed up.

Mr. MURTHA. Mr. Young.

CHINESE RELATIONSHIP WITH NORTH KOREA

Mr. YOUNG. What is the relative relationship now with the Chinese in North Korea?

Admiral HARDISTY. The Soviets provide North Korea most of their modern military equipment. China has provided some, but not as much as the Soviet Union. Given China's internal problems, I don't think the PRC, nor the Soviet Union would be backing any North Korean adventurism. However, as long as Kim Il Sung is there, it is going to be a problem. It may change when his son relieves him. An accident or conflict is most likely in that area. China would not foster North Korean adventurism, they are close in trade and other areas.

REDUCTION OF FORCES IN KOREA

Mr. MURTHA. When I was over there, we kept hearing we might start a war by changing the policy we have. If we start withdrawing troops it could trigger a miscalculation by Kim Il Sung. How fast can we withdraw? I am convinced this budget is going to be so tight this year we are going to have to look at every possibility.

We won't dictate to the DOD where they withdraw troops, but is the ——— the maximum that can be withdrawn in that area, can't we withdraw ground forces and leave our intelligence forces there?

Admiral HARDISTY. I think we can do that. Looking at the threat environment I favor a measured response. The ROKs will take more of a leading role. They will assume responsibility for the DMZ. They will have operational control of their own troops rather than the Combined Forces Command. General Menetrey can discuss that in more detail with you.

We are heading in the right direction but it is going to take time. The numbers that we have looked at are in combat support. We are not significantly decreasing our combat capability pulling out ——— people.

Mr. MURTHA. But the question I am asking is what would trigger a miscalculation? I hear all this about Kim Il Sung. It is hard for me to believe, with the atmosphere the way it is, that he would attack the South. What is your professional opinion about the possibility of an attack?

Admiral HARDISTY. The possibility is much diminished. The Soviets have their problems as do the PRC. But the miscalculation is there. Kim Il Sung is dedicated to going South and that is his promise, that is his dream. I believe the likelihood is not high given no accident or given we don't send the wrong signal.

I think political instability in South Korea would be a bad thing. We should support that fragile democracy and not pull out now. If for some reason that unfolds, that will be a miscalculation and I see the north would head south.

STUDENT DEMONSTRATIONS

Mr. AU COIN. Mr. Chairman, if you will yield to me again just on this same theme.

In addition to what I said a few minutes ago, what really fries me and the people I represent, is even if you acknowledge that we need some level of presence there in South Korea's interest and in our interest, what my constituents are seeing on the nightly news is an increased anti-Americanism among the population of South Korea, an increased expression that Americans ought to get out.

When you add that as an overlay to everything else I said a few minutes ago, that really fries the taxpayers in my district, and I wonder how you account for that, Admiral? What is behind that?

Admiral HARDISTY. It is a growing democracy, it is kind of fragile. It is self-expression. They have a national legislature for the first time three years ago. They have a free press. The students will take on Roh Young Soon, the U.S., any issue, because they are young students. There are about 20,000 students who demonstrate throughout Korea. The student population is 1.3 million. When they can't do an anti-American theme they will do an anti-Korean

theme, an anti-President Roh theme—they will go back to the Fifth Republic. I don't discount it. These kids were not there in 1950. They didn't fight with us.

Mr. AuCOIN. You are not saying it is all students are you?

Admiral HARDISTY. Yes sir.

Mr. AuCOIN. You are saying the rising anti-American sentiment that we see here in the country, hear reports, official reports about, is essentially student protestors?

Admiral HARDISTY. The demonstrations, the anti-Americanism that is reported in the press, is mostly students.

Mr. AuCOIN. What about the opinion of the population itself?

Admiral HARDISTY. I think other than trade and agricultural issues, we are very welcome there, Mr. AuCoin.

Mr. MURTHA. Any other questions about Korea or the Philippines? Mr. Young.

PHILIPPINES

Mr. YOUNG. I would like to ask one additional question about the Philippines.

Admiral, I know that you have talked with a lot of people. Why do you think the Aquino Government is giving us a hard time? What have we done wrong?

Mr. DICKS. Cut her money \$97 million.

Mr. YOUNG. I ask that sort of facetiously because we bent over backwards to be as good a friend to them as we can be.

Admiral HARDISTY. We have to play hard ball. The Philippines either want us or don't want us. It is time for them to figure out whether it is in their best interest and whether they really want us. It is not a question of rent or compensation, although we're short \$96 million. That is a lot of money to them. Most of that would go to the military of the Philippines for modernization.

I think we made a mistake in promising something we didn't live up to. There have been six coup attempts. She is under the gun politically. She doesn't want to feel that she is a pawn of the U.S. She is very nationalistic. She loves America just as much as America loves the Philippines. I think there is a lot of political posturing. I think it will continue. We have to be careful that we don't agree to disagree for political reasons. We should look at what we can do for the Philippines and why we need to be there.

I won't get ahead of our negotiating team, but we are going to have to be innovative ———. They are the only Third World nation who pays the interest on their debt today. This is highly commendable, and takes around some 40 percent of their 1990 national budget GNP.

We contribute to the Philippines multilateral aid initiative and have provided \$160 million against \$200 million as our share for fiscal year 1990. Japan will foot the major part of that bill, along with Taiwan and ourselves.

The Philippines need economic help. The answer to an insurgency is not a military victory, it is not a status quo. Fifty percent of the people live below the poverty level today. That has got to be turned around fundamentally to make them a fifth tiger. The po-

tential is there. We are concerned about the welfare and the future of the Philippines.

Mr. YOUNG. The reason I ask the question is that I can't understand why she would have any reason to posture with us. You mentioned the six coup attempts. In the last coup attempt our support was very obvious. Our support in the last coup attempt included the use of F-4s in full view of the world to try to help her put down the insurgency. I assume the people of the Philippines understood that.

Admiral HARDISTY. They did. That had pros and cons. I was asked how did that play out?

Mr. MURTHA. How did that happen?

Admiral HARDISTY. Mrs. Aquino admitted she asked for the help. I happened to be here for a DRB session. General Powell and I sat in the command center all night. We got the request, and General Powell, the Secretary and the President agreed to provide that assistance.

Mr. MURTHA. What did she ask for specifically?

Admiral HARDISTY. ———. You have a democratically elected government, which asked for our help. I think our response was measured, prudent and helpful. Mrs. Aquino acknowledged that.

Mr. MURTHA. Is it true that if our F-4s had not interceded the Air Force would have definitely supported the rebels and we would have had a heck of a problem there?

Admiral HARDISTY. That is hard to say, sir. It made a great deal of difference. It was just a show of force. I think it had a significant influence on the rebels who had taken over parts of the Philippine Air Force, yes sir.

Mr. YOUNG. But it should have proved to Mrs. Aquino that we were her friends and supporters and left no doubt. That is why I can't understand why she feels that she has to do so much posturing now.

Admiral HARDISTY. She didn't see Secretary Cheney, because of a Cabinet leak. It was on the front page of the paper. Half of the Cabinet said don't see him and every word was on the front page of the paper. Her hands were tied. ———.

Mr. MURTHA. How secure is Mrs. Aquino?

Admiral HARDISTY. She is personally secure. I think she is surrounded by a couple of good advisors.

Mr. MURTHA. I mean, from coup attempts. We didn't do anything about the last one?

Admiral HARDISTY. ———.

Mr. MURTHA. She will prevail, is that what you are saying?

Admiral HARDISTY. I believe she will. ———.

Mr. MURTHA. Mr. Sabo.

Mr. SABO. A couple of questions.

Were you accurate when you said 40 percent of their GNP goes for interest on foreign debt?

Admiral HARDISTY. Forty percent of the Philippine 1990 National Budget will be required for debt service.

That foreign debt is about \$30 billion. They are the only Third World country that is paying their interest.

Mr. SABO. I am not sure if this is a question that should be asked to you or others. I was visiting with somebody in our private sector

who I think is familiar with the Philippine Government. I was asking how the government was doing.

The response I got was that while they thought Mrs. Aquino was honest, the nature of the government wasn't much different than during Marcos' days in terms of corruption and graft.

Admiral HARDISTY. ———.

Mr. SABO. Thank you.

Mr. MURTHA. Mr. Wilson.

U.S. PRESENCE IN KOREA AND THE PHILIPPINES

Mr. WILSON. How are you, Admiral?

Admiral HARDISTY. Good to see you again.

Mr. WILSON. I think you know that I generally favor a strong defense and am a high dollar man and I have got a lot of prejudice for the Navy, et cetera.

But for the last year, I personally had a difficult time looking at the map and the limitations on our forces and the inevitable budget cuts. With what little I understand about strategy, I have a difficult time justifying our presence in Korea, the Philippines and in the Western Pacific. South Korea has ten times the GNP of North Korea and two or three times the population. South Korea is really the Japanese frontline and Japan has infinitely more of everything than North Korea and given the feasibility of the bases, other than maintaining empires as my friend from Washington says——

Mr. DICKS. Responsibility as leaders of the free world——

Mr. WILSON. Responsibility as leader of the free world, I have a difficult time understanding the need for our presence in the Philippines and South Korea.

Admiral HARDISTY. I think it goes back to the fact that we are a maritime nation. We do want to be a world leader. We want to influence peace and prosperity. In the 1990's more and more our trade is going to be tied to the Pacific. Thirty-nine percent of our trade is with the Pacific today. It has exceeded that with Europe for the last 20 years.

We are either a player or we are going to pull out. We need military influence to help developing nations build their own self-sufficiency. That military presence is influence and access. As a maritime nation we are concerned with the flow of oil.

By the year 1995 some are estimating we will import 40 percent of our energy again.

Mr. WILSON. Admiral, Japan is a maritime nation and certainly a player in the U.S. maritime-wise, and they don't find it necessary to maintain three or four carrier battle groups and bases in Bermuda.

Admiral HARDISTY. We don't want them to do that. There is a great fear in Asia if we pull out, Japan will fill that vacuum militarily and economically. The Japanese-U.S. relationship accounts for 40 percent of the world's GNP. Over the next 15 years this will probably be the most important relationship in the world. Our security presence is basic to our treaty commitments. I have seven percent of all of the end strength in the military covering 50 per-

cent of the world. We get a lot of bang for our buck and we are going to be drawing that down.

Mr. WILSON. You are not facing the Warsaw Pact, either.

Admiral HARDISTY. I am not. But more regional instability.

Mr. DICKS. If the gentleman would yield. Do we have 120,000 military personnel out there?

Admiral HARDISTY. That is basically it, yes, sir. That figure includes the fleets.

Mr. DICKS. I think that provides great stability in the Pacific and it is a rather small residual force. If we were down to that level in Western Europe, Germany might be happier, but I think that presence has provided peace and stability in that part of the world.

Mr. WILSON. Possibly, but, Admiral, you and I, if we had our complete druthers, we might not reduce the defense budget. But whether we would or not, it is going to be reduced, no question about that.

At a time of reduced budgets we can try to do the same job, but run the ships to death, exhaust the crews, skimp on training and readiness and try to cover the same amount of territory. Or, we can try to maintain a high degree of readiness, a high degree of research and development, a high degree of mobilization base, but with smaller forces. With smaller forces you have to cover less ground and everybody makes a case for why the amount of ground they are covering can't be diminished.

That is the problem.

Admiral HARDISTY. I mentioned our commitments. It is also influence, access and presence. We are down to a carrier battle group in the Indian Ocean six months out of the year rather than a whole year. We might have to go to three months.

I agree we want the mobility. A lot of the troops are coming home. We need the wherewithal to get them back. No doubt sealift, airlift, mobile flexible forces are going to be very important. We are going to have a smaller military, but we want to maintain its quality. We want time to build it down so we don't hurt its people.

We cannot cover what we have been doing with less people, otherwise destroy the military. We want to do it smartly and depend on the allies to do more. We are asking Japan, Korea, many of our friends to do more, in the Pacific.

Mr. WILSON. I have exhausted my colleagues here.

Finally, though, there has to be a time in which it is no longer necessary to maintain 40 to 50,000 foot soldiers in Korea when Korea has ten times the GNP of its possible adversary and three or four times the population and Japan is sitting there. Just because we performed a gallant military effort at great cost in 1951, doesn't mean that we are there in 2051.

Admiral HARDISTY. I agree, sir. When we left in 1950 that pulled out the plug. That may be why we had 1950 because we left a vacuum—

Mr. WILSON. Is there no point in history in which South Korea can defend itself?

Admiral HARDISTY. There ought to be a dialogue between the North and South. Both Soviets and we support it. It may be 10 or 15 years until the ROK is capable of self defense and take over the leading role. There will be a time when we are out of Korea.

Mr. WILSON. I don't want to see the Navy or other services in the condition they were in after the Vietnam War.

Admiral HARDISTY. Absolutely. We are looking at a transition in Korea, I think it is a smart way to go. The Republic of South Korea knows they are going to have to take more of a leading role and do more for themselves. Japan also knows they must contribute more in cost sharing.

Mr. HEFNER. Would you yield?

If you don't do something on burdensharing, not only in the Pacific, but in Europe we are not going to be able to hang in there for 15 years. When I came to Congress 15 years ago, the overseas automobile industry had 16 percent of the automobiles that we imported. Now they are getting close to 30 percent and we are losing ground every day.

Fifteen years from now Japan will be the strongest economy in the world and the Germans will be the richest, and we will still be talking about bringing troops home. I don't think the American people are going to support it because they see deficits causing them hardships and we have 44,000 less jobs in the textile industry this year than we had last year. Fifteen years from now we won't even be a player.

Mr. WILSON. And the Koreans won't even buy fighter planes from us. It has to be co-produced.

Mr. MURTHA. You can see the problem that we have, and this committee supports defense as much as any committee in the Congress. You can see the difficulty we are going to have trying to get this budget through. You say there is going to be more coming out of it, which means, it is going to be tough and it is going to be manpower. Mr. Livingston.

PHILIPPINE BASES

Mr. LIVINGSTON. Thank you.

Admiral, if you haven't already commented on it, I wonder if the Filipinos throw us out of our bases over there that that severely cuts into our ability to maintain 14 carrier battle groups and the forward deployment of our Navy in the Pacific, does it not?

Admiral HARDISTY. Yes, sir, it would. We would have to operate out of Guam and Japan so it will take more of a commitment to do the same thing.

It gets back to what Mr. Wilson said about beating people to death. Guam is 1,600 miles in the wrong direction from the Philippines—if we are going to maintain those commitments. Additionally we probably wouldn't have the money to maintain the same presence.

Mr. LIVINGSTON. The strain on the sailors to cover the distance without liberty stops is going to be very difficult?

Admiral HARDISTY. It would be indeed.

Mr. LIVINGSTON. I had the opportunity to hear Tom Clancy recently. He made the comment that 20 years ago we had a thousand ships and a certain level of men and officers aboard those ships and in our Navy and that today we have 500 ships, 500-plus ships, but the same level of officers and the same level of men in the Navy. And that our mission really hasn't increased, in fact, if any-

thing, it has stayed the same, but that we are overloaded with bureaucracy both in the Pentagon and elsewhere. He claims that we would be able to cut 30 percent of our forces within the Navy structure, specifically the Navy.

Do you want to respond to that?

Admiral HARDISTY. Yes, sir. I have talked to Tom Clancy about that, but it has been a couple of years ago.

He does feel that we should be leaner and meaner. Today we are a high technology outfit. The young kids are the best we have ever had, the best educated. However it takes more of them to run a computer world. It is not the boatswain or able-bodied seaman, not the aircraft handler, it is the sophistication. I think our numbers are about the same because the ships require that kind of watch-keeping and tending. We may talk about 30 percent adjustment in headquarters and support forces but a 30 percent cut on one of our sophisticated ships would dry docket it. I think they are manned about right. I would argue with Tom on that.

Mr. LIVINGSTON. But you don't necessarily quarrel with him about administration?

Admiral HARDISTY. No. We have to tighten our belts. We have already started and there will be more of that.

Mr. LIVINGSTON. Mr. Chairman, can I ask one extraneous question that doesn't relate to the Philippines or to Korea?

Mr. MURTHA. Yes.

NAVY HEADQUARTERS IN WASHINGTON, D.C. AREA

Mr. LIVINGSTON. The Army maintains their personnel office in St. Louis; the Air Force in Denver; and the Navy keeps most of their personnel and most of their administrative headquarters here in Washington, D.C.

A lot of people can point first strategically that that may not make sense, because if we ever do get hit by that big one, this is the first place that goes and the Navy's hierarchy is wiped out but aside from strategic interests, aren't there political and economic interests in disbursing the headquarters of an armed services branch outside of the nation's capital?

Real estate is as high here as anyplace in the country, and I can point to other places where a sailor could have a better quality of life, where an E5 could become a homeowner, whereas a lieutenant commander has a difficult time becoming a home-owner here.

In your opinion, what is the purpose of having headquarters for the Navy here in Washington, D.C.?

Admiral HARDISTY. As you know, the Navy has been criticized for a long period of time about having too much presence in the Washington area. The other Services moved out. We moved part of the bureau of Naval Personnel to Bay St. Louis, and New Orleans, a long time ago. From an economic point of view, we have in place the infrastructure and building. It is more expensive to move than not.

Quality of life would be more affordable and certainly cheaper, you are right.

Mr. LIVINGSTON. The Navy currently has plans to build a mini-Pentagon and move out of Crystal City and build here. I don't understand the logic of that.

Admiral HARDISTY. I have heard of the plan to get out of Crystal City. It would be cheaper to go elsewhere, because the rent is so high.

Mr. LIVINGSTON. The Chairman gave me the indulgence.

Mr. MILLER. I have a question on that subject. The Navy is looking for three million square feet to make a complex, as I understand it, so, again, it is three or four thousand personnel that are located in Crystal City; is that correct?

Admiral HARDISTY. Sir, I don't know. I am not up to speed—

Mr. LIVINGSTON. Mr. Chairman, I have some other questions I would like to submit for the record. Thank you.

[CLERK'S NOTE.—Questions submitted by Mr. Livingston and the answers thereto follow:]

PACIFIC NAVAL FORCES

Question. During your testimony earlier this month before the House Armed Services Committee, you emphasized the importance of Naval forces in your command since you are responsible for 50% of the globe. Would you tell the subcommittee what part the Naval Air Reserve plays in keeping those forces ready for combat as well as other logistic commitments you have in the Pacific?

Answer. The Naval Air Reserve Force exists to train selected Reservists to respond to Fleet requirements during mobilization. In peacetime, the Naval Air Reserve provides quick response Fleet logistic support as a by-product of that mobilization training. The air logistics support is designed to move intra-theater passengers and cargo from ports of entry to rapidly changing Fleet locations.

C-130 AIRCRAFT

Question. Last year this committee appropriated funds for the procurement of the first two C-130 aircraft for the Naval Air Reserve to meet wartime and other requirements for Fleet logistics operations. We appropriated those funds to ensure that you and other theater commanders will have the Naval logistics support you need to meet your commitments. Will you be able to make good use of these C-130's?

Answer. Absolutely. The C-130 is one of the most versatile cargo aircraft in the world. With its unique rear loading capability, and excellent short field and cross wind handling characteristics, the aircraft is ideally suited for wartime logistics requirements. Our recent Fleet exercises in the Northern Pacific verified a wartime carrier battle force support requirement of a minimum of four Naval Reserve C-130 aircraft in both the Third and the Seventh Fleet operating areas. During the exercise, C-130's were used to move aircraft engines and other outsized cargoes to the carrier battle forces. Marine Corps tanker versions of the C-130 were used to shuttle jet fuel to austere airfields which lacked sufficient jet fuel to commence immediate operations. The C-130T's authorized in FY 1990 are equipped with this same "plane to ground storage tank" fuel transfer capability.

Question. The President and the Department has validated the requirement for C-130 aircraft by placing two in the FY 1991 Budget for the Naval Air Reserve. Do you support the budget request for these aircraft for the Naval Air Reserve?

Answer. Yes, I do.

[CLERK'S NOTE.—End of questions submitted by Mr. Livingston.]
Mr. DICKS. Mr. AuCoin.

SOVIET PRESENCE IN THE PACIFIC

Mr. AuCoin. Thank you, Mr. Chairman.

Admiral, I have listened since the beginning of the hearing with great interest to all that has been discussed, but I want to go back to one of the points you made about the Soviet presence in the Pacific. You indicated in a response to a question that Mr. McDade posed to you that you don't see any reduction in Soviet capability in the Pacific. But as a military man and as a military thinker, I know you calculate capability as not only equipment, but also the proficiency to use that equipment. And I know that you must have heard the same data, and I know you have read the same reports as Members of this committee have, with regard to the drastic reductions in time at sea by naval personnel exercising those naval assets.

Admiral HARDISTY. Yes.

Mr. AuCoin. If a capability is the combination of equipment and the proficiency in its use, then it is an inescapable conclusion that there has been a reduction in Soviet capability in the Pacific, because of that drastic reduction that I have referred to.

I know what the reduction is and it is drastic, so don't you think that it is more accurate to say that there has been a reduction in Soviet capability in the Pacific.

Admiral HARDISTY. You have a good point, the figures that I have seen show the Soviet out-of-area deployments and reduction in OPTEMPO of ten to fifteen percent, they are doing more modular and shore-based training. Capability is a product of the equipment and the ability to use it.

On the other hand, when I look at firepower, they have put 19 ships out of commission in the Soviet Pacific fleet. The new ships have three times the firepower of those that are taken out.

Mr. AuCoin. I recognize that.

Admiral HARDISTY. I still say they have the capability—and when I am talking about capability, I mean the wherewithal to do it. I recognize they don't train as well as we do. They are also geographically mal-positioned, put all those things together and we have an edge.

Mr. AuCoin. I appreciate your response. The point I am driving at is that that capability they once had, with the strikes they have had against them inherently, has been reduced further in terms of sea time and the exercising of those assets. That does go into the calculation of capability.

So we are seeing, in some measure, a reduction in Soviet capability in the Pacific, as well. I think it is necessary to state that.

Admiral HARDISTY. I can go along with that. When I say qualitatively improved, I mean their equipment. I didn't say the people.

The Navy and Air Force are also qualitatively improved in firepower.

Mr. AuCOIN. When you think about it, if they are holding their naval personnel at shore and performing some form of exercises in order to rest up and be ready, to save money, that is not the equivalent of being out there at sea robustly exercising assets—if it were a militarily significant thing to do, then we ought to be doing it and saving money, too. I don't think that is what the Navy would want us to budget for the U.S. Navy.

Admiral HARDISTY. I mentioned that one of the keys is the morale and retention factor. The Soviets have a tremendous morale problem in their armed forces, particularly in their Navy, because of lack of ability to practice their trade.

That is why flying hours and steaming hours are so important to retention of a quality force and also in building one.

Mr. AuCOIN. I think this discussion is important as background for the discussion that Mr. Wilson just had with you, because when we are looking at points in history in which adjustments can be made in our force structure, I think this kind of background needs to be taken into account as well. Not just a piece of the capability, but all of the factors that go into what we conclude is capability on the part of the Soviet Union.

ARMS CONTROL

Let me ask a question about naval arms control. I have been following with great interest this emerging debate about naval arms control and the position the Navy has taken, the Administration has taken. I just have a hard time, though, understanding it from a naval military man's standpoint. I would like you to walk it through with me, if you would, Admiral, and I am not being partisan in raising this. I am genuinely trying to understand.

We have got an infinitely better Navy today than the other guy has, no question about it. If a war broke out today, it would be a very short time indeed until the Navy of the Soviet Union was either bottled up or hit the bottom of the ocean, based on the assets we have to bring to bear against it. That is today. Provided no one uses naval nuclear weapons. But if we use, in the absence of arms control, nukes on both sides, what I see happening is we both have our fleets at the bottom of the ocean before the exchange is over. So why wouldn't it make sense to enter into arms control talks with the Soviets, through verifiable treaties, to keep out of the hands of the Soviets this capability and the price would be that we take them out of our arsenal too, what would we lose?

We have a fine Navy that would blow them to smithereens in minutes without nukes.

Admiral HARDISTY. What about the Third World. The Soviets and U.S. could unilaterally disarm. Third World terrorists are still around with nuclear weapons. We are a maritime nation. Our strength is with our Navy. The Soviets are a land-based power. Their lines of communication are internal.

We depend upon the freedom of the high seas to protect us worldwide. Maritime superiority is essential for economic security

as well as world peace. We need maritime superiority now and probably for the rest of our Nation's history.

Mr. AuCOIN. We will lose that superiority if in the absence of arms control both sides use nukes at sea.

Admiral HARDISTY. They certainly have——

Mr. AuCOIN. Then both fleets can end up on the bottom. The thing our policy I think ought to be intent upon is to maintain this advantage. We have an advantage today and I can see that evaporating quickly if the Soviets use naval nukes?

Admiral HARDISTY. They have them already. I wouldn't give up the cruise missile. It is the most important thing since invention of the gun. We have it and they don't. If they build it ten years from now, we can say that is a problem and then address it.

Mr. AuCOIN. That is what we said about MIRV'd missiles, "we have them and they don't." We held on to those because we knew that was going to be tomorrow's problem. We are dealing with tomorrow's problem today. The great architect of that idea, Mr. Kissinger, lived to say "I wish I had never heard of MIRV'd." I don't think we ought to say we can forget a problem ten years from now, because we will be gone.

You wouldn't be where you are right now. I doubt that I will be sitting where I am in ten years. Another poor devil will be sitting here worrying about this thing that we could have prevented, and kept our superiority, if we had just kept these weapons out of Soviet hands.

Mr. DICKS. You say that the Soviets have no nuclear cruise missiles?

Admiral HARDISTY. No. I say they do. I said most of their missiles are 250 miles range at sea. They have cruise missiles on their submarines. They don't have the sophistication in their cruise missile that we do, sir.

We have a relative lead.

Mr. AuCOIN. I tell my friends and members of the committee and the Admiral, my point is not that either side has these, but that we through arms control would be very wise to eliminate that which we do have and prevent what I think is going to be a loading on on both sides, and I think verifiable arms control is the way to do it and I think it is in our military security interest to do so.

You can make a military security argument that we will be stronger with arms control of that kind, rather than just an argument that is goody twoshoes handwriting. I think there is a military aspect of this that cannot be and should not be overlooked.

I have some other questions I would like to introduce and have answered for the record.

[CLERK'S NOTE.—Questions submitted by Mr. AuCoin and the answers thereto follow:]

SURFACE COMBATANT VS. AIR AND SUBMARINES

Question. I've always thought submarines are what sink ships, carriers are what attack deep shore targets and surface combatants are mostly museum pieces we keep around because we've always had them. But now if the Warsaw Pact threat is diminishing and we're going to turn our attention more to counterterrorism, narcot-

ics interdiction, and third-world threats, it may be that these priorities are backwards. Maybe we need to shift our relative mix toward surface combatants rather than away from it. Since almost everything military is going to have to shrink in the next few years, this is an issue we need to look at very carefully. What's your view on it?

Answer. As I look toward the future, I see my principal focus moving away from a very clearly defined threat (e.g. the Soviet Union) toward the extremely unpredictable and ill-defined threats you mentioned. Uncertainty is the largest factor I confront when considering future force structure. Rather than building against a measurable Soviet force array, I now must contemplate wide ranging contingencies over vast geographical areas. Mobility and flexibility are becoming, in my view, the strategic imperatives of the future.

The most versatile forces at my disposal today are aircraft carrier battle groups and amphibious ready groups.

While it's true that for over 40 years we've built ships with the Soviets in mind, remember that most of the times we have used those ships in support of U.S. national policy in cases in which the Soviets were not involved at all. Plus, the contingencies we used the ships in were not contingencies that were anticipated or predicted during force development. If you have to hedge against uncertainty, it's hard to match the track record of our carrier and amphibious forces.

[CLERK'S NOTE.—End of questions submitted by Mr. AuCoin.]

Mr. MURTHA. Mr. Miller.

COMBAT READY FORCES

Mr. MILLER. Admiral, we speak of the support for U.S. political, economic and security interests, and your testimony states that to obtain these objectives we must have forces that are combat ready, configured for rapid reaction and mobility and positioned such that they can react across this vast theater in a timely manner to any crisis.

Without saying it, you are saying that we are going to build up strike forces to be able to put out the fire before it becomes extremely large and not have a Third World war, is that what this means?

Admiral HARDISTY. Yes. It is looking at low intensity conflict, at deterring crisis in that area which means more mobility and more flexibility.

As we pare down, we must remain forward deployed. that gives us access and ability to get to the scene of the crisis rapidly. Being there and having a lot of friends is important. We will need the wherewithal to get there rapidly with special operation forces or Marines. We are structured to do that. We are focusing on that kind of conflict rather than the Soviet threat. You were right on the mark, Mr. AuCoin. We can't justify a strong military base from the Soviet threat alone in the Pacific, we didn't really justify a strong military based on the Soviet threat alone. We always have had a regional focus with strong treaty commitments and bilateral

relationships. Our fundamental goals are still the same. We will have to draw down and restructure. We can do that smartly, sir.

Mr. MILLER. Is it the thinking of the Navy that in the South Pacific if we have the strike forces that we are talking about that we would be able then to pull down some personnel from the Pacific area because those forces are available to move fast and put out that brush fire?

Admiral HARDISTY. That is in the minds of many today. We can bring the troops home and rapidly re-deploy. That is not the Navy thinking. We don't want to tie the carriers up on the West Coast and when needed go over the horizon smartly into the Pacific. With building down the force, we have to do things smarter and protect people.

We have got to be forward. That strategy has deterred war since World War II. It has provided our leadership role throughout the world. That is why I say as a maritime nation we need a strong Navy.

Mr. MILLER. That leads me to another question. Right now, we have additional formal security obligations to the Republic of the Marshall Islands and to the Federated States of Micronesia. Are these different new parallel agreements with that area? You mentioned that we have to watch what agreements we are making, yet here we have two more agreements where we will be protecting countries or other islands more so than what we are right now by all indications.

Admiral HARDISTY. Yes, sir. They were former trusteeships. Now they have their independence, we have a compact of free association for 50 years. The U.S. agreed that they would defend those two republics. The only trusteeship we have left is Palau. The compact's last referendum failed there. That is the relationship we have had with those South Pacific nations, since World War II. The Marshall Islands and the Federated States of Micronesia are now independent with a compact of free association, Mr. Miller.

DRUG INTERDICTION

Mr. MILLER. In another area, still the Pacific and in your command's area, you also speak about counter-narcotics efforts. Could you give us a little information of what you are doing in that area? We hear most of the time, of course, that the narcotics are coming from Central and South America as a rule, and apparently there must be quite a volume coming to the U.S.

Admiral HARDISTY. Most of the heroin comes out of the Golden Triangle in Southeast Asia. There is a lot of marijuana. Some coming out of the Big Island of Hawaii. That is my number one peacetime priority, drug interdiction.

We have set up a joint task force as they have in the Atlantic and JTF-6 along the Mexican Border. My JTF-5 operates a command center out of Alameda, California. I have P-3s on alert. We have increased our flying and steaming hours to interdict and surveil by a factor of about three.

I have a problem in the Pacific. Any one day there are some 5,000 ships at sea. It is estimated that 24 to 36 mother ships come out of the Golden Triangle—

Mr. MURTHA. What is that?

Admiral HARDISTY. They call it a mother ship. They bring the dope in big ships, transfer it to smaller ships. It is like looking for a needle in a haystack, because I am looking for about 36 big ships per year and there are 5,000 per day. Human intelligence is very important and the key to the whole thing. We are working very hard with our own country's teams, our ambassador in Thailand and that area.

We are getting a little better, but we haven't had any big drug busts—a lot of success at sea. We are still looking and will get better.

I am pleased with intelligence cooperation with DEA and Customs. We are sharing data bases, we have our command and control squared away. We are on the right track. You are going to see a lot of success, particularly in the Caribbean.

I will have to pick up some additional areas if supply routes change, up through Mexico. The West Coast of Mexico is in my AOR.

Mr. MILLER. How many dollars are in the 1991 budget for the Navy for that purpose of counter-narcotics?

Admiral HARDISTY. DOD was \$1,208 million in fiscal year 1991. We have yet to see any of it but that is because GAO is doing something and Congress is doing something. By May 1 we expect to get the money. I have to take the Navy figure for the record. I know what has been put against my command center and command and control. Flying and steaming hours comes out of hide.

[The information follows:]

The funds in the CN budget are actually identified by the cognizant unified and specified commander vice the individual services. For USPACOM, there are \$7 million in the FY 1991 budget for counter-narcotics. This does not count ship and aircraft fuel costs expended on CN missions which, if present levels are continued, would total almost \$13 million in FY 1991.

Mr. MILLER. But are they additional flying and steaming hours, because of the drug problem?

Admiral HARDISTY. They kind of are and they kind of aren't. We are getting a lot of training out of doing that and we are trying to maximize that. But they are in addition. I can't say they are not when I have that many ships and flying hours dedicated to a certain task.

Mr. MILLER. Could you furnish that information for the record, and the total dollars that are in the 1991 budget that are used for the narcotics problem?

Admiral HARDISTY. Yes, sir.

[The information follows:]

No, they are not additional hours, but that doesn't mean that they come without costs. We do get some valuable individual unit training out of CN ops in mission areas which are directly translatable from CN like maritime surveillance, contact sorting, small boat operations, that sort of thing. However, because we are expending significant amounts of our training time on CN, that time can not be applied to advanced training in mission areas which are not closely aligned with CN ops like ASW, AAW, EW, amphibious warfare, etc.

Mr. MURTHA. Mr. Wilson.

F-18'S FOR KOREA

Mr. WILSON. Admiral, are you familiar with the current negotiations or arrangement for the Koreans to co-produce the F-18?

Admiral HARDISTY. Yes sir.

Mr. WILSON. We have been in Korea since 1951. We have an enormous trade deficit with that country. The most important thing in the world to the Koreans seems to be our military presence. Given those facts, wouldn't you think it wouldn't be too much of an imposition on the Koreans just to buy that airplane?

Admiral HARDISTY. I don't think it would be an imposition. From the Korean point of view, they do want to get the technology transfer in to their own defense industry to build the airplane.

That is a \$4 billion deal overall that will accrue to the U.S.

Mr. WILSON. The Koreans and the Japanese won't do anything. The Koreans have forced General Dynamics to bid against the contractor for the most co-production. You and others in the Administration come and make these cases for Korea and Japan, but I really don't think the Secretary of Defense or anybody else measures the depth of feeling that is beginning to surface here.

Let them get one from the British, let them co-produce the Tornado.

Admiral HARDISTY. That is more expensive.

Mr. WILSON. Let them do that, but if after all we do, and with all the imbalance in trade they won't buy a fighter plane, I find that a bit repulsive.

Admiral HARDISTY. Yes, they won't buy one off the shelf.

Mr. WILSON. If they don't, there is going to be trouble, let me tell you. You might tell them that next time you see them. We are not kidding.

Mr. MURTHA. Admiral, I realize they are having some problems with their own economy, but they have to understand the mood in this country has changed 180 degrees. We represent people who want a strong defense but they also don't want medicare cuts and they want other things. Everybody thinks there is going to be such a big peace dividend this year, so it is going to be difficult to not dismantle the entire defense establishment, and then not have the quality of people that we need in order to project our forces.

You heard Mr. Hefner talk about burdensharing. Mr. Wilson and all of us have tried to make sure that you understand, as our representative out there, how difficult it is going to be. I think you do, and I think you recognize more money is going to have to be cut.

We are going over the budget. We don't see where we can cut more than \$3 or \$4 billion out of this budget that has been seriously reduced already. We cut \$135 billion from the budgets that President Reagan sent over over the years. But we don't have that leeway now, and if we don't have these other countries cooperating, we are going to have a problem. I think the Philippines have to understand what we talked about, and so does Korea. The attitude has changed and the Administration will not be able to control what happens, at least that is the way I see it.

We appreciate very much your coming before the committee and we hope that you understand what we have said. When you come

back for visits, let us know and we would be glad to hear the results of your visits to these other countries, and I will do the same. As this goes along, we will call you every once in a while.

Mr. WILSON. If the F-18 is built in Missouri and California, I would like to point out, it is just outrageous. If we build the planes here, of course it makes them cheaper for the U.S. Navy, if they are not co-produced. On the one hand, they want our forces at risk there, they want to maintain this enormous trade imbalance with the U.S., and after all of that, they can't buy an airplane or they won't.

That is a one way street, Admiral, and it is about the end of it. Tell them that.

Admiral HARDISTY. I have had discussions with them about that. They started out with a co-development thing, I said co-production is better than development, because we get a lot back—

Mr. WILSON. Let them develop their own, then.

Admiral HARDISTY. Yes, sir. The obvious thing is they may turn to France or the UK and you say, fine, be my guest, and I understand that.

Mr. MURTHA. A fellow that went to school with you, Jack Sheehan, said to say hello. He had done great things for Johnstown. In fact, after he headed up five big companies he came back to Johnstown and opened up a steel company. We are indebted to him. He looks much older than you—

Admiral HARDISTY. I appreciate that. He is a very close friend of mine, a person I admire, and he has great respect and friendship for you. He has done a lot for the State of Pennsylvania.

Mr. MURTHA. Mr. Miller, do you have more questions?

Mr. MILLER. No more questions. I have some questions to be answered for the record.

Mr. MURTHA. We will have other questions for the record also.

The Committee is adjourned until 1:30 p.m. Thank you, Admiral.

[CLERK'S NOTE.—Questions submitted by Mr. Miller and the answers thereto follow:]

JAPANESE DEFENSE

Question. Admiral, you state that it is not in the interest of the U.S. or stability in Asia for Japan to develop a capability to project power. How do you assess Japan's current offensive capability—is it consistent with U.S. interests? How can we reconcile this interest with calls for Japan to assume a greater share of its own defense?

Answer. The Japan Self-Defense Force (JSDF) has become a very capable force for the defense of Japan. Japan has primary responsibility for air defense, defense against a limited invasion, and sea lane defense to 1,000 nautical miles. In form and structure, the JSDF is a defensive force. While it may be true a particular weapons system could be employed either defensively or offensively, the intent of Japan is strictly one of defense which fully conforms with provisions of the Japanese Constitution. A call for Japan to assume a greater share of its own defense is proper and in no way equates to an offensive capability. U.S. forces train extensively with the JSDF and the mission is always one of defense. Japan's actions are very much in concert with U.S. interests; roles and missions between our forces are coordinated, and Japan's ability to assume a greater share of its own defense has increased immeasurably due

to its growing investment in capable weapons systems and training programs.

TRANSFER OF TECHNOLOGY TO CHINA

Question. Admiral, in your prepared statement you point out China's desire for western technology and advocate that the U.S. maintain a relationship with China that is mutually beneficial. How has China benefited from the transfer of U.S. technology? Has it benefited militarily? What constraints would you want the U.S. to place on the transfer of technology to China?

Answer. Technology transfer has had a positive impact on many aspects of Chinese society. New technologies, not only from the U.S. but from many other developed nations, have improved transportation and communication systems, agricultural output, industrial efficiency, and military modernization. In most cases the transfer of technology has been good for the Chinese people and has supported U.S. desires for China to develop and modernize. It has also benefited U.S. business and has allowed opportunities for positive interaction between Americans and Chinese. Another positive spinoff of technology transfer has been the need for highly trained specialists. The tens of thousands of Chinese students who have studied in the U.S. and learned about American life and American values are directly related to the rapid growth of technology in China. Of course the Chinese military has also benefited from technology transfer and has seen varying degrees of improvement in armor development, navigation systems, avionics, radar, communications and many other areas. While the transfer of technology has generally supported our desire to promote regional stability and enhance China's defense capabilities, we must ensure, as much as possible, that we do not transfer technology that will destabilize the region or that may be transferred to another country and used against U.S. interest.

NUCLEAR FREE ZONE

Question. As a result of New Zealand's nuclear ship ban policy the U.S. has suspended trilateral cooperation under the ANZUS pact. How has this affected the operations of U.S. forces under your command? What impact would the establishment of a Nuclear Free Zone in the South Pacific have on our efforts to protect U.S. interests and promote regional stability?

Answer. Operational requirements of forces assigned to the U.S. Pacific Command are unaffected by New Zealand's refusal to fulfill obligations under the ANZUS Treaty. The U.S. cannot become a signatory to the South Pacific Nuclear Free Zone (SPNFZ). The U.S. has decided that in view of its global security interests and responsibilities, it is not, under current circumstances, in a position to sign the protocols to the Treaty of Rarotonga. However, the U.S. has stated that it is in full accord with SPNFZ and will abide by its protocols. Proponents of SPNFZ ask why the U.S. does not ratify the treaty and end the ambiguity since it concurs with its protocols. The answer is that if the U.S. had ratified SPNFZ it would have increased our short-term popularity, but would not have furthered the long-term security of the region. While the legal

terms of the treaty do not interfere with the basic requirements of port access or the right to innocent passage in territorial seas or archipelagic waters, the question is whether the U.S. should commit to adhere to the restrictions it would place on U.S. global responsibilities. Deterrence is established by what the U.S. does and what the U.S. can do. When the U.S. unilaterally forecloses potential responses to an adversary's challenge, it emboldens adversaries and increases the risk of war. The U.S. view is that deterrence provides best for the security that the South Pacific nations seek. If the U.S. signed the SPNFZ treaty, that security could be threatened.

[CLERK'S NOTE.—End of questions submitted by Mr. Miller. Questions submitted by Mr. McDade and the answers thereto follow:]

MILITARY PERSONNEL REPROGRAMMING

Question. Admiral, you have briefly touched on the impact which would result if the Congress failed to approve the Department's proposed programming of \$777 million into the military personnel accounts. This possibility has been raised by the Chairman of the House Armed Services Committee who has reportedly said he will block such a move.

Could you provide a detailed explanation of the impacts of denying this reprogramming? What would be the impact on the morale and readiness of your Command?

Please provide your responses both to the Committee and to my office, as soon as possible.

Answer. The impact of Mr. Aspin's block to reprogramming is already being felt around the world—the Navy has stopped promulgating permanent change of station (PCS) orders for some of the 14,000 Navy sailors and their families scheduled to rotate in 1990. The Army may follow soon for up to 18,000 soldiers. The morale of those scheduled to transfer this summer is already suffering from the uncertainty of not knowing when, or if, they will actually move. Worse, if the decision on reprogramming is delayed, reaction time to make travel arrangements and move household goods will be cut dramatically. Late approval of reprogramming will result in increased costs and difficulties for those Service families whose moves are taken off hold at the eleventh hour—they will be forced to move before their household goods can even be picked up. A continued impasse on approval will quickly stop all moves, disrupting the lives of up to 33,000 service members and their families. People who have bought, sold, leased, or are renting quarters will be even harder hit. All will be placed in limbo by the lack of funding for their moves, and will contribute little to the readiness posture of their current units as they wait out the delays.

Another significant impact of reprogramming denial will be accelerated separations for up to 18,700 soldiers, 21,900 sailors, 19,800 airmen, and 7,800 Marines using involuntary 90-day drops and other similar techniques which deny departing service members an orderly return to civilian life. Through no fault of their own, these personnel could show up in 1990-1991 unemployment statistics after we rush them out the door. The Services will also be forced to "mortgage the future" by cutting accessions, an action which

always causes problems by putting a "hole" in the inventory of personnel for one year. Up to 39,200 soldiers, 41,800 sailors, 26,000 airmen, and 8,900 marines could be affected. The impact will be on future readiness, as later accessions are advanced ahead of their experience levels to cover shortages in the next higher grade.

The deferral of FY 1990 promotions until September could impact up to 15,000 soldiers, 38,000 sailors, and 14,000 airmen. While bearable, this delay does nothing to bolster morale in uncertain times. In fact, by forcing all of these negative personnel actions into the last six months of the fiscal year to meet a dollar amount, we stand to damage morale and credibility severely throughout the rank and file of the uniformed Services. Less drastic measures in FY 1988 resulted in decreased readiness levels for nearly five months. Should these measures become necessary, I would expect that the stated concern of many prominent Congressional figures for the welfare of our Service men and women will ring very hollow in their ears.

[CLERK'S NOTE.—End of questions submitted by Mr. McDade. Questions submitted for the record and the answers thereto follow:]

SEALIFT

Question. We think there is a serious shortfall in our nation's sealift capability. The Administration apparently does not share our view, as the additional \$600 million we appropriated last year to begin a sealift shipbuilding program has been proposed for transfer to other programs. Admiral, are you satisfied with today's sealift capability to meet wartime needs in your theater?

Answer. Today's sealift capability is well short of our current requirements. Further, reductions in deployed forces worldwide affect the entire transportation system by creating additional demand for sealift and other strategic mobility assets.

Strategic mobility remains the essence of force projection. However, budget reductions have necessitated difficult decisions throughout the Defense Department.

Question. Given recent world events and the potential changes in our strategy, has sealift become less important in your view?

Answer. There has been no change in our Asia-Pacific commitments. Sealift remains vital to our strategic mobility.

Ready Reserve Force (RRF) ships are particularly important as U.S. Flag and Allied Merchant Marine sealift continues to decline. In FY90, funding for the RRF was cut from \$239 million requested to \$89 million. This has curtailed needed improvements to the RRF in favor of essential maintenance.

Support for a long-term program to revive the U.S. Merchant Marine, including the building of commercially viable and militarily useful cargo ships, is critical as is strong support for the National Security Sealift Policy.

Question. The sealift funding is proposed for transfer to the M-1 tank and F-15 aircraft programs instead. As CINCPAC, please prioritize our need for additional F-15, additional M-1 tanks or additional sealift.

Answer. In a large maritime theater such as the Pacific the ability to move forces quickly to the scene of conflict or crisis, and to

sustain and reinforce them upon arrival, is critical to success. While there are certain (unlikely) circumstances under which increased numbers of F-15s or M-1 tanks would enhance our warfighting ability, the geography and the likely nature of possible conflicts in this theater dictate that sealift have the highest priority in the Pacific, of the 3 capabilities listed.

ASW WARFARE

Question. ASW is said to be the Navy's top priority, yet the budget proposes cutbacks in some key ASW areas. Is ASW your top priority?

Answer. Yes.

Question. Press articles report a dramatic decrease in Soviet submarine patrols and other Navy operations recently. Is that your perception?

Answer. ———.

Question. What proposals have the Soviets made about retiring their older attack submarines?

Answer. The Soviets have made several proposals to retire their older attack submarines; either directly or indirectly. Most of the formal proposals are contained in arms control initiatives; partly designed to place quantitative restrictions on naval platforms, of which attack submarines likely would be included. Other proposals fall outside the arms control arena. A state radio broadcast, in September 1989, reported the Soviets would remove their first-generation nuclear powered submarines from service. ———.

Question. How do these events affect the size of our submarine force in the Pacific needed to counter a reduced threat?

Answer. Although the Soviets are selectively proposing inactivating their older submarines, the majority of the older submarines have little military utility. The Soviets have reduced their naval OPTEMPO for the reasons mentioned in response to your previous question. Despite the apparent reduction in the threat intended by these measures, the threat now is higher than ever because of the quantum increase in capability of their new submarines. We can see no reason to support reduction of the U.S. Pacific Fleet submarine force in response to less OPTEMPO by Soviet submarines or potential inactivation of old submarines.

Question. Please comment on the proposed cancellation of the Sea Lance ASW weapon, and how this affects capabilities of the Pacific Fleet.

Answer. Cancellation of Sea Lance deletes a stand-off weapon that would increase our favorable exchange ratio in dealing with later generation Soviet nuclear submarines. Not intended as a first-strike weapon, Sea Lance would be used to engage evading, noisy targets. Our submarines have no fall-back weapons system to replace the Sea Lance, while the Vertical Launch ASROC (VLA) is a lesser-capable system applicable to our surface ships. I would prefer, strictly from a warfighting stand-point, to retain the Sea Lance capability. However, I recognize the Sea Lance cancellation as one of many difficult choices made in an effort to maintain balanced forces as our defense resources decline.

Question. Are you satisfied that the Navy is committed to anti-submarine warfare as its number one priority even though S-3 modifications have been cut by one-third, P-7 procurement has been delayed by 2 years, sonobuoy procurement has been cut over 50 percent and attack submarine retirements have been accelerated?

Answer. I am well satisfied with the Navy's commitment to ASW. Overall sonobuoy procurement for the FY 1990-91 period, taken with stocks presently on hand, is more than adequate to meet projected needs. Possible procurement delays in the P-7 program are the result of design difficulties, rather than a reduced Navy commitment to the program. As for the stretch-out in S-3 modifications and early retirement of some nuclear attack submarines, they represent difficult decisions which weigh high priority programs against the need to maintain balanced forces. While I would prefer that sufficient resources were available to avoid reductions, stretch-outs and early retirements in the Navy's ASW programs, I am satisfied with the Navy's commitment to ASW, given current limitations.

CINC INVOLVEMENT IN DRUG INTERDICTION

Question. The Department of Defense guidance for implementation of the President's national drug control strategy directed the various Commanders-in-Chief of all unified and specified combatant commands to elevate substantially the mission priority within their commands of actions to fight illegal drugs. What actions have you taken to implement this directive?

Answer. To implement this directive, we have elevated Counternarcotics (CN) to PACOM's number one peacetime priority. In July 1989, we began full time CN maritime patrols and have since dedicated an unprecedented number of ship days to this effort. The ships are complemented by aircraft patrols, and we expect to expend at least 2600 patrol aircraft hours on dedicated CN missions in FY 1990. Additionally, we have directly assisted law enforcement agencies with airborne reconnaissance, rappel training, linguistic and analytical support personnel and imagery equipment loan. We have also diverted a significant number of personnel at all the major PACOM component headquarters to full time CN duties.

Question. The fiscal year 1991 Drug Interdiction and Counternarcotics appropriation includes \$120 million for initiatives of the CINCs. How much was allocated to your command and for what purposes?

Answer. The fiscal year 1991 Counternarcotics (CN) budget is not yet approved. Thus we are unable to indicate definitively how much CN funding will be allocated to the CINC's initiatives. We have requested \$950,000; \$300,000 of this is to support CN intelligence gathering efforts and the remainder is for maintenance and repair of processing systems at the Joint Task Force FIVE Intelligence Fusion Center.

CINC INITIATIVE FUND

Question. In fiscal year 1990, Congress appropriated \$50,000,000 for CINC Initiative Fund. These funds are in addition to those already requested in the budget and were to be available for high priority readiness and sustainability needs of the various CINCs. Have you requested any of these funds? If so, how much and for what purposes?

Answer. To date, CINCPAC has received \$10,800 in CINC Initiative funds and has requested \$5,519,623 for 35 projects. The breakdown is as follows:

Requested and Funded Program:	<i>Amount</i>
Pakistan Officer Participation in Two Conferences.....	\$10,800
 Total Funded.....	 10,800
Requested Programs:	
Rapid Deployment Contingency Support System for C2.....	477,000
Fleet EW Squadron Participation in Team Spirit Exercises.....	37,700
Guerrilla Warfare Training ICW Exercises Cobra Gold.....	60,000
Construction and Repair of Airfields Rep of Marshall Is.....	325,000
Surface Ship Support to a Compartmented Exercise.....	117,000
Provided Portable Targetry for USMC Bases in Japan.....	53,000
Alaskan Command Computer Network Enhancement.....	400,000
Intelligence Training for Papua New Guinea Defense Force.....	30,000
Coast Guard Training for Papua New Guinea Defense Force.....	40,000
Emergency Electrical Lighting System for Joint SOF Task Force.....	10,000
Contingency Intelligence Support Packages (4).....	284,105
Tahiti Reciprocal Training.....	120,000
Philippine Training for USMC.....	500,000
COMUSK Automated Computer Interfaces for Exercises.....	150,000
Pacific Area Imagery Dissemination System.....	77,900
Adaptive HF Network for Alaskan Command Communications.....	82,000
Korea Intelligence Network Connectivity.....	250,000
Iwo Jima Auxiliary Airlift Comm Support for Increased Training.....	43,280
Training and Audiovisual Equipment for USMC Bases Japan.....	136,540
Improved Typhoon Analysis and Forecast.....	500,000
HF Radio Installation USAF/PAF/ADCC in the Philippines.....	38,000
Teletype Service for 13th AF Clark AB Philippines.....	13,000
Obtain Superconcurrency Connectivity for CINCPACFLT.....	300,000
Road Improvement/Construction Vanuatu.....	150,000
FAA Certification of Canton Island Airfield, Kiribati.....	50,000
International Economic Security Seminar in Philippines.....	30,000
CINCPAC Participation in Thai Military Logistics Exercise.....	29,000
Funding Engineering Equipment Transport for Disaster Relief Ops....	250,000
UNREP CONSOL Sliding Padeye Demonstration.....	250,000
Local Wx Dissemination System for Kadena, Misawa, Kunsan.....	53,000
Weather Facility Upgrade in Yokota.....	23,000
Portable STU III Telephone Cases.....	1,035
Emergent/Changing Requirements Funding.....	250,000
Enhanced Security Cooperation With Singapore.....	50,000
Western Samoa Disaster Relief Operations.....	368,600
 Total Requested.....	 \$5,516,623

[CLERK'S NOTE.—End of questions submitted for the record.]



THURSDAY, MARCH 1, 1990.

**COMMANDER IN CHIEF, UNITED STATES SOUTHERN
COMMAND**

WITNESS

**GENERAL MAXWELL R. THURMAN, U.S. ARMY, COMMANDER IN CHIEF,
U.S. SOUTHERN COMMAND**

INTRODUCTION

Mr. MURTHA. The Committee will come to order.

This morning, the Committee will hold hearings on the Southern Command.

The Committee welcomes General Maxwell R. Thurman, the Commander in Chief of the Southern Command.

General Thurman, you have appeared before this Committee in various positions over the years. This is your first appearance before the Committee as CINCSOUTH.

While SOUTHCOM is the smallest of the CINCs in terms of its budget, it plays a central role in an area of the world that is vital to the security interests of the United States.

We have a few questions to ask today on drug interdiction, however, at a future date the Committee will have hearings exclusively on the drug interdiction issue and a SOUTHCOM witness will be at that session.

We want to welcome our hero of Central America, the fellow that saved the day for us. I know we couldn't have had a better commander in place on the ground than we had there, and we appreciate very much the way you handled that whole situation in Panama.

Now the Sandinistas have lost an election in Nicaragua and maybe you can tell us the outlook for Cuba's future?

General THURMAN. Not in my area of operations, Mr. Chairman.

Mr. MURTHA. If you will, please summarize your statement. We want to talk about the Panama operation itself and then tell us a little bit about your drug interdiction efforts.

SUMMARY STATEMENT OF GENERAL THURMAN

General THURMAN. I appreciate the fact that Members of your committee have come down to Panama to take a look at the great young American soldiers, sailors, airmen, Marines and Coast Guardsmen who participated in Operation "Just Cause." We still have 13,103 soldiers, airmen, sailors and Marines in Panama. We got down to the number the President directed, and we are hovering at 13,100 now, as we support Panama establishing its Forces Publica, the public forces, into a viable national police force, and

we are assisting in their training, along with ICITAP, which is the arm of the Justice Department that does international police training. I will show you what is residual in Panama in a moment, and I will tell you where we are using Special Forces and troops in the field.

OPERATION JUST CAUSE

Let me carry you down in my series of charts to number 26 in your stack. If it pleases the Chairman, I would like to put these charts in the record.

Mr. MURTHA. Without objection.

General THURMAN. Let me talk about Operation Just Cause, the period from 20 December 1989 to 31 January 1990. I think it is useful to start with chart 27 (the 3 October coup), because you were there subsequent to that and you understand what I am about to say.

As you recall, I arrived in Panama on 30 September, and on the first of October I walked some folks that said they would like to stage a coup first thing in the morning, the morning of October second. As I said previously, I ——— had them go out and interview Mrs. Giroldi. She was the messenger, and her husband was the leader of the coup.

About 2 o'clock on 2 October, after I got the report back ——— I reported to the Chairman of the Joint Chiefs of Staff, saying the coup was ill-motivated, ill-led, and fatally flawed because it didn't go after Noriega and had nothing to do with decapitating the PDF.

The asterisks on the chart identify the Majors who were on Giroldi's retirement list, Ow Young on the left, Cordoba, center right, as well as Noriega. The other four officers would have been "loyal" people to assume the mantle of leadership of the PDF had the coup succeeded. Wong is up for torture; Madrinan for torture and murder and was located in the Nunciatura with Noriega. One of these guys would probably have ended up running the PDF. I have learned a lot more about Panama now than I knew then, and I keep learning, based upon the interrogation reports that we are doing.

We have 5,000 linear feet of documents and hundreds of tips. I learned about Justine since we started interrogating him. As a Christmas bonus, he got \$500,000 from Torrijos in 1981; how's that for your average Lt. Colonel Christmas bonus. The ten Lt. Colonels on the General's staff were given \$500,000 apiece that year, and every year they got a large amount of money.

So it was corrupt to the core, and I suggest the decisions we made at that time were about right. The only way to get rid of all this stuff was to take the whole thing down.

[Charts follow:]



**OPERATION
JUST
CAUSE**

20 DEC 1989 - 31 JAN 1990

(CHART NO. 26)

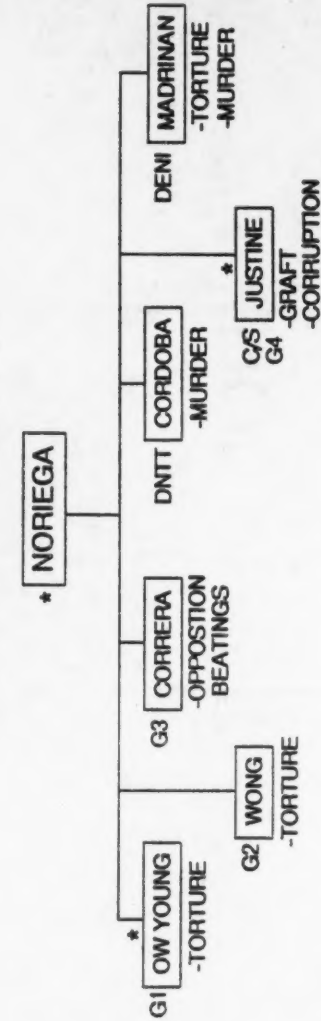


THE 3 OCTOBER COUP ...

- ILL - MOTIVATED
- ILL - CONCEIVED
- ILL - LED

... FATALLY FLAWED!

POST-STRIKE ANALYSIS



* ON GIROLDI'S RETIREMENT LIST

(CHART NO. 27)

GOALS

General THURMAN. On chart 28, were the goals that the President put before us. Before I went down there on 30 September, I had begun to work the operations plan, because I didn't appreciate all the ways in which the plan was constructed. I had told Lieutenant General Stiner, the Commander of the 18th Airborne Corps that he would be the warfighting commander in Panama, and he had begun in the month of September to reconstruct the plan. I said it would be a night operation with swift entry, not a staggered long-term buildup period. If we had done that, the PDF will have taken to the hills. I wanted to use an overwhelming force as quickly as possible and take down 27 targets simultaneously.

From September onward to November, we now have begun to track Noriega, and we found out he moved in the middle of the night. Therefore, we had to take down more targets than you might like to take down, in order to make sure of getting the right target. We missed him at Tocumen Air Field by five minutes. There is a famous story of him leaving the prostitute's quarters in his red underwear. We know it was red because later we found it hung out to dry at the Nunciatura after he turned himself in and began to recuperate there.

We took down 27 targets simultaneously, and the rules were to decapitate Noriega and the PDF. I had said earlier that we would rehearse the operation every two months until 1999 because we didn't know when the operation was going to take place, and we had conducted very detailed rehearsals.

I was confronted with the question of whether Noriega would be in office until 1999, would he willingly leave or would he step aside and let some democratically elected government have it. He didn't do that.

In the months of November and December, in addition to indicting me in the Panama courts as tit-for-tat for his indictment in the Miami courts, he instructed his people to make him the head of state on the 15th of December. He then incited his people by declaring a state of war with the United States and saying they would see the gringos float down the canal. His people began to listen, and that precipitated the death of U.S. Marine Corps Lieutenant Paz.

[Chart follows:]



GOALS OPERATION JUST CAUSE

- CREATE AN ENVIRONMENT SAFE FOR AMERICANS
- ENSURE INTEGRITY OF PANAMA CANAL
- PROVIDE STABLE ENVIRONMENT FOR
FREELY-ELECTED ENDARA GOVERNMENT
- BRING NORIEGA TO JUSTICE

PRESIDENT BUSH
20 DEC 89

(CHART NO. 28)

OBJECTIVES

General THURMAN. General Stiner asked me to write out a series of rules of engagement. So I wrote the statement you see on chart 29. I told him to conduct the operation with minimum casualties both friend and foe, and with minimum collateral damage. Pretty simple statement, and that was broadcast well enough to the troops that they carried it out, and some of the heroic deeds of the invasion were young troopers making sure they obeyed the orders.

Our campaign objectives included freedom of transit, freedom of PDF abuse, freedom to exercise treaty rights, removal of Noriega, creating a security force and standing it up, and getting the government to govern.

We didn't brief the troops until 10:00 o'clock the night before the operation as to where they were going and what they were going to do in order to maintain operational security.

[Charts follow:]



COMMANDER'S GUIDANCE

- NIGHT OPERATIONS
- SWIFT ENTRY
- OVERWHELMING FORCE
- 27 TARGETS SIMULTANEOUSLY
- DECAPITATE NORIEGA & PDF
- CONSTANT REHEARSAL

RULES OF ENGAGEMENT:

- MINIMUM CASUALTIES & MINIMUM COLLATERAL DAMAGE CONSISTENT WITH SAFEGUARDING AMERICAN LIVES

(CHART NO. 29)



CAMPAIGN OBJECTIVES

ENSURE:

- FREEDOM OF TRANSIT THROUGH PANAMA CANAL
- FREEDOM FROM PDF ABUSE / HARASSMENT
- FREEDOM TO EXERCISE TREATY RIGHTS
- REMOVAL OF NORIEGA
- REMOVAL OF NORIEGA'S CRONIES / ACCOMPLICES
- CREATION OF A SECURITY FORCE RESPONSIVE TO AND SUPPORTIVE OF AN EMERGENT DEMOCRATIC GOVERNMENT
- FREELY ELECTED GOP IS ALLOWED TO GOVERN

(CHART NO. 30)

ORGANIZATION

General THURMAN. On chart 31 is the chain of command, very simplistic. I put Goldwater-Nichols on the chart because one of the hallmarks of this operation was that we had a very clean cut chain of custody and command.

General Stiner commanded all the operational forces. If you look at the right side of the chart you will see JSOTF, the Joint Special Operations Task Force. I reported straight to the Chairman, and when we briefed the plan up, we briefed it to the Joint Chiefs and the Chairman.

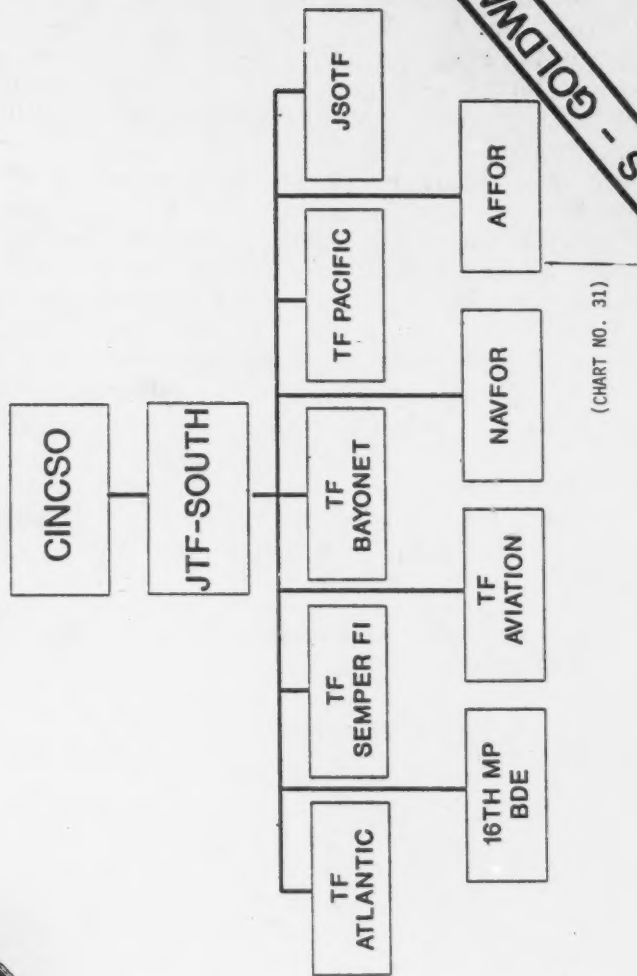
There were no changes made in the plan. The Chairman then briefed the Secretary of Defense and there were no changes to the plan.

The Secretary of Defense and the Chairman then briefed the President on the 17th. There were no changes to the plan and so there was no tinkering with it.

[Chart follows:]



ORGANIZATION



(CHART NO. 31)

NICHOLS - GOLDWATER

DEPLOYMENT

General THURMAN. We rehearsed most of the operational work and it went great. The flight route we took was through the Yucatan gap, the Rangers out of Fort Lewis, Washington and Fort Benning, and Stewart in Georgia and the 82nd out of Fort Bragg, North Carolina. The Air Force used 245 aircraft on D-Day ———. We had Rangers packed in the C-130 aircraft, anywhere from 80 to 90 troops with 100 pound rucksacks, for a seven hour flight, and we had tanker aircraft in orbit off the north shore of Panama in order to refuel the aircraft.

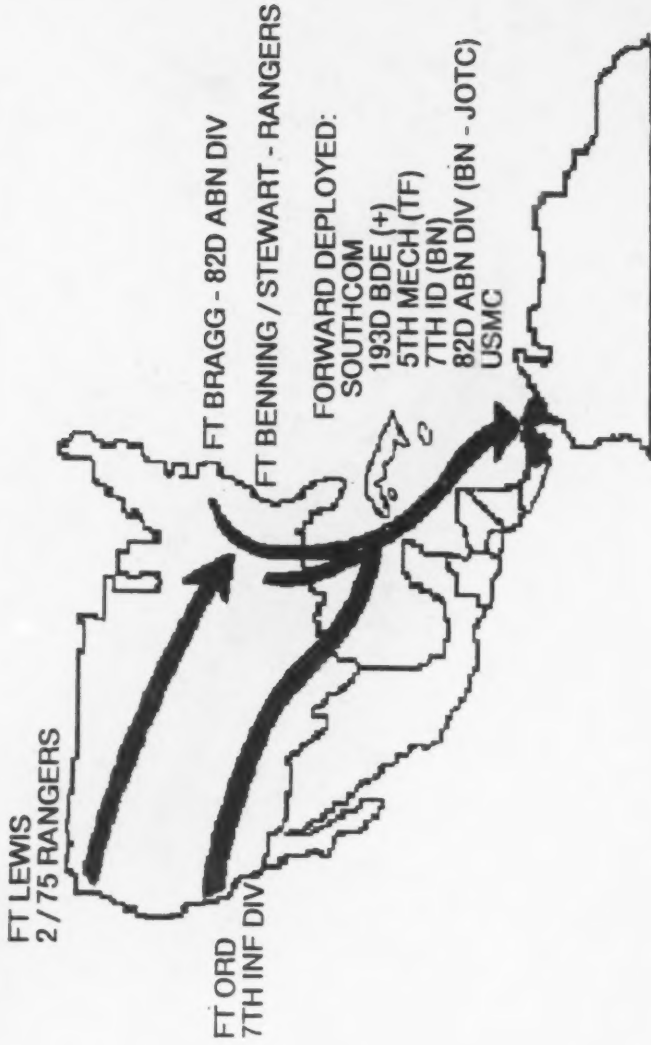
On chart 33 you get a general view of what we did. We went as far west as Rio Hato, where the Rangers went in, and as far east as Tocumen-Torrijos, the international airport. We timed the operation to occur at 1:00 o'clock in the morning because there would be only one commercial aircraft on the ground. We jumped in an Air Force group to take over the terminal but we found out there was a late arriving aircraft there and 300 civilians in the terminal. Not a single civilian was harmed. That tells you about the discipline of the Rangers—didn't harm a hair on the heads of the civilians.

The 193rd was already in Panama City and a brigade of the 7th Infantry Division was on the north coast of Panama, and the Marine Corps had the area west of the canal, including the mission to secure Howard Air Force Base.

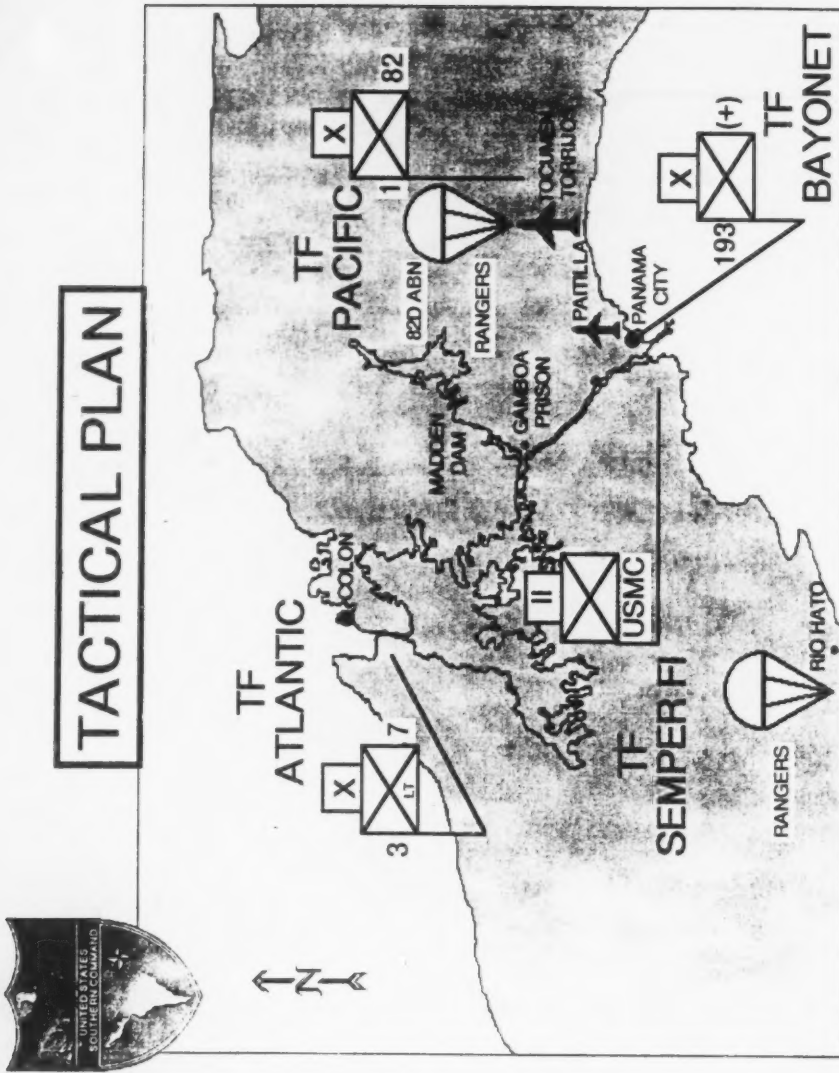
As depicted on chart 34, the concept was to use rapid and overwhelming combat power. As a result of that, there were very few casualties on both sides.

[Charts follow:]

DEPLOYMENT



(CHART NO. 32)



(CHART NO. 33)



RAPID AND OVERWHELMING COMBAT POWER

- RESULT:
- PDF SURRENDERED QUICKLY
- FEWER CASUALTIES ON BOTH SIDES

(CHART NO. 34)

PERSONNEL

General THURMAN. Chart 35 gives you a rundown of the units that were in the fray. At the peak there were 27,000 Army, Navy, Air Force, Marine and Special Operations forces personnel. The Army, for example, had the 82nd Airborne Division, the 7th Infantry Division, the 193rd Light Infantry Brigade, and one mechanized battalion from the Fifth Mechanized Division.

There was a great young medic in the Fifth Mech unit that night at the Commandancia who rescued his buddies until he passed out. He won the Silver Star for heroism

On chart 36, with respect to Noriega; when I went to Panama, I asked, "can I find out where Noriega sleeps every night, because I want to put a card on his pillow saying you are sleeping here courtesy of Maxwell Thurman, CINCSOUTH,"

My intelligence staff said, that I would know that only 50 percent of the time. We were finally able to predict where he was 70 percent of the time. He was in Colon that night, but then three different convoys come out of Colon, and we didn't know which one he was in.

As for civil military operations, we issued a call for 133 Reservists on Christmas Eve. Two thousand Reservists volunteered to come to us on Christmas Eve, and on the day after Christmas, 133 of them left Bragg and came to the war. I would say to you that is testimony to the fact that we have great Reserve people in our civil affairs units.

It also says that we had to ask them on a volunteer basis because we didn't call them up. They helped us greatly. I took a whole segment of my staff and turned it over to the Charge. You, sir, recall Mr. Bushnell was the Charge. That was before the Ambassador arrived. I turned my civil affairs staff over to him and when the Reservists came in, I gave him the 133 Reservists to help reestablish the government.

We did this to get the government up and operating as quickly as possible.

[Charts follow:]



JUST CAUSE PERSONNEL

PERSONNEL

ARMY	18,587
NAVY	521
AIR FORCE	3,133
MARINE CORPS	690
SPECIAL OPS FORCES	4,150
(ARMY)	(2,850)
(NAVY)	(500)
(AIR FORCE)	(800)

TOTAL 27,081

(CHART NO. 35)



OPERATION JUST CAUSE

NORIEGA

- NARROWLY MISSED ON INITIAL ASSAULT
- RELENTLESS PURSUIT BY JOINT SPECIAL OPERATIONS FORCES

CIVIL MILITARY OPERATIONS

- RESPONSE BY CIVIL AFFAIRS PERSONNEL
- PERFORMED ESSENTIAL ROLE IN
 - REESTABLISHING ESSENTIAL SERVICES
 - RAISING THE NEW GOVERNMENT OF PANAMA
- EXCELLENT COOPERATION BETWEEN MILITARY AND EMBASSY
 - MILITARY IN LEAD INITIALLY
 - EARLY HANDOFF TO EMBASSY

(CHART NO. 36)

PERFORMANCE OF TROOPS

General THURMAN. Performance of the troops; General Carl Stiner would say, it is the best operation he has been involved in in his 31 years of service. From my perspective of 37 years, it is the best I have been involved in. The troops were aggressive and courageous. I think the Congress deserves to take credit for part of that in terms of supporting us in our recruiting endeavors.

I suggest that as you draw down defense force structure, you want to be mindful that we don't want to break the force as we go down. You may have to conduct another kind of operation like this at another place in the world, and the trick is to maintain high quality troops, taking 100,000 people out of the Army in two years is no mean trick, if we are to retain the integrated work of team training in the United States.

TRAINING AND EQUIPMENT

We had great training, as early as September, General Stiner laid out the 82nd drop zones and rehearsed the operations. That tells you something about our training. Also, high quality equipment paid off. Operation Just Cause was well rehearsed, well planned, well executed; and we had limited casualties.

The results, shown on chart 38, don't piecemeal your troops in. Go for the jugular at the outset and you will get it done quicker. The troops will fight to the standards to which they have been trained, that is testament to the National Training Center, for example, and to the Joint Training Center at Fort Chaffee, Arkansas. Make mistakes there, so you don't make them in Panama.

We did everything at night because we had the advantage of night vision devices. We didn't have any hits on helicopters at night. When daylight arrived, we began to get our helicopters shot up; it does pay to go in and do it by night.

The Special Operations Forces and conventional force capabilities that we used worked great because we had a single chain of command, and secondly, because Special Operating Forces bring some skills that are not in the everyday bag of conventional forces.

Surgical weapons insured that there was minimum collateral damage. We used the Apache with the Hellfire missile to attack the third story of a building instead of blowing the building down. As you used to come from the airport to headquarters, there was a big compound in the middle of Balboa, which was the Balboa DENI. We used the AC-130 to take that out. The building across the street was the YMCA, it didn't get a frame knocked out of the window glass there. Also across the street were three banks. The banks are operational, but the building is gone because we used the AC-130. We had a rule that no officer below the grade of lieutenant colonel could order the use of indirect fire, because we didn't want to rain fire on the grid square.

There were two bombs dropped by the F-117 fighters at Rio Hato. This weapon system was used to avoid collateral damage and keep from blowing the area down.

[Charts follow:]



U.S. FORCES PERFORMED SUPERBLY

- AGGRESSIVE, DISCIPLINED, COURAGEOUS
- WELL TRAINED -- RESULT OF
 - RECRUITING HIGH QUALITY YOUTH
 - REALISTIC, DEMANDING TRAINING
 - JOINT INTEROPERABILITY TRAINING
 - COMPETENT, CONFIDENT LEADERS
- HIGH QUALITY EQUIPMENT PAYS OFF
- PLANNED, REHEARSED, EXECUTED - NO TINKERING
- RESULT: MISSION ACCOMPLISHED -- LIMITED CASUALTIES

(CHART NO. 37)



VALIDATED PERFORMANCE RESULTS

- OVERWHELMING FORCE VALIDATED
- TROOPS FIGHT TO STANDARDS WHICH TRAINED
- GREAT ADVANTAGE AFFORDED BY NIGHT OPERATION
- SOF-CONVENTIONAL FORCE OPERATIONS
MAXIMIZE FORCE POTENTIAL/CAPABILITY
- SURGICAL WEAPONS - LESS COLLATERAL DAMAGE

(CHART NO. 38)

SPECIAL OPERATIONS FORCES

General THURMAN. On chart 39 I show you where we have residual Special Forces units located. I have "A" teams at the locations annotated with asterisks. Their purpose was to stay there for ——— and report whether or not things are going well in the provinces while we stand up the new public forces and get them retrained as a police force.

From the city north of Rio Hato, called Penonome west to the Costa Rican border, there were only three rifle shots fired, and 3,000 people surrendered out there. That is because the Special Forces picked up the telephone and talked to the people in Spanish and said we will give you an hour to lay your weapons down. If you don't, we will blow you away.

The first city was Penonome, and Major General Wayne Downing who was the Commander of Special Forces prepared to attack there said, "I want to show you what I would have done had you not laid your weapons down." He then conducted an assault without firing. The locals telephoned the west with their observations and we didn't have a shot fired west of there. Overwhelming power was the key. If we had gone in piecemeal, that would never have happened.

The Special Forces will stay in the countryside as long as we need them. I have the permission of the Endara government to do that.

On chart 40 I show you the personnel drawdown; 13,103 troops as of today.

PANAMANIAN FORCES

Chart 41 shows that we still are working with the new Panamanian forces. They must come under civilian control. Dr. Arias is trying to build checks and balances in the system and demobilize some of the functions as they turn to a police force from a combat force.

Chart 42 shows the way the Panamanian Government is organized at the moment. The Assembly, the elected Assembly, is supposed to go back into session today for the first time. This is the same one elected on 9 May last year, that did not take its seats.

The Ministry of Government and Justice is Dr. Arias (on the left side of the chart). He has the public force, including the Maritime and Air services, under him. Immigration and Customs, which used to be under the PDF, is now under the Ministry of Treasury. The Technical and Judicial Police will operate under the Attorney General. They are beginning to bring this thing up; there is not a monolithic recreation of the PDF.

[Charts follow:]



PANAMA

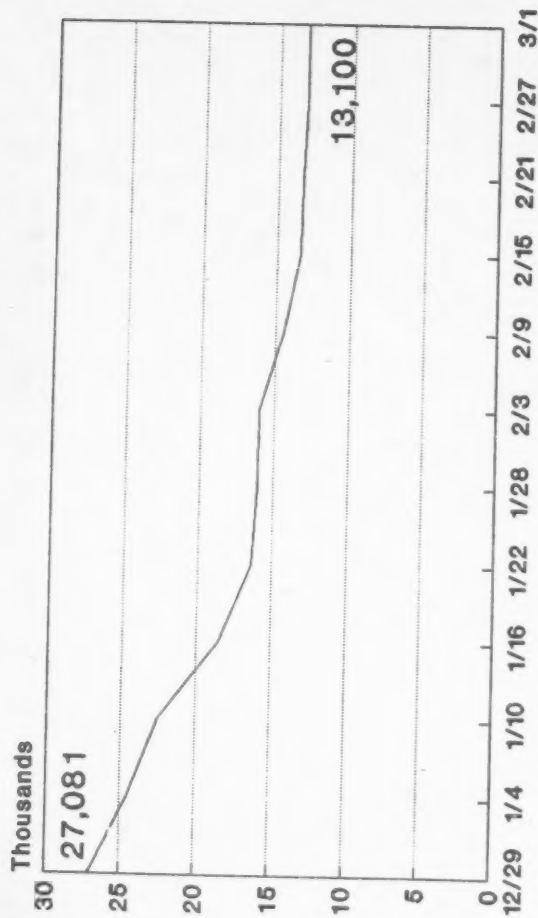


* INDICATES SPECIAL FORCES LOCATION

(CHART NO. 39)



PANAMA DRAWDOWN



DECEMBER 29 - MARCH 1

(CHART NO. 40)

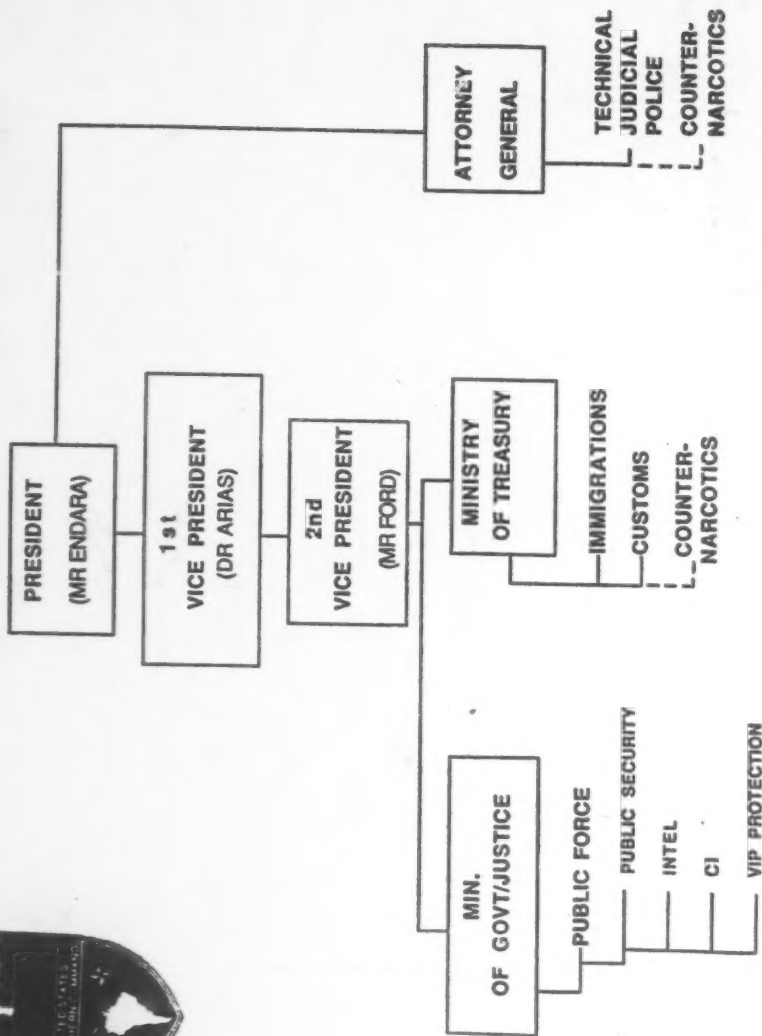


NEW PANAMANIAN FORCES

- NEED FOR ORGANIZATION WITH
 - CIVILIAN CONTROL
 - CHECKS AND BALANCES
 - DECENTRALIZATION OF FUNCTIONS AMONG GOVERNMENT AGENCIES
 - APPROPRIATE SIZE
 - EMPHASIS ON POLICE, VICE COMBAT, ROLE / TRAINING
 - FORMATION OF TACTICAL ELEMENTS OVER TIME IN RESPONSE TO EMERGENT THREATS

(CHART NO. 41)

INTELLIGENCE AND SECURITY SERVICES OVERVIEW



(CHART NO. 42)

ACCOMPLISHMENTS

General THURMAN. Chart 43 shows that we captured some 52,000 weapons which we didn't know were there. We seized \$7 million, and there have been over 600 more bank accounts blocked with assets ranging up to maybe a billion dollars by the DEA and the FBI. As soon as we went in—as you know, they gave me a DEA team, an FBI team and as soon as Ambassador Hinton got in, I cut those people over to the Ambassador.

There is much left to pursue. There are as many as 11 other countries involved in where these accounts go and how the money laundering works.

Mr. MURTHA. So you can't just turn that over to the Panamanian Government to use?

General THURMAN. By no means. In fact there is much work to be done about finding who it is and how it was gotten. We don't know that yet. I am not particularly competent about that.

Mr. MCDADE. Are you eligible under a forfeiture statute if they do find that this is drug laundered money, et cetera?

General THURMAN. I am not particularly competent in the law. I just don't know. Of the \$7 million we seized, \$5 million was from Noriega, and we gave that to the government so it could operate on day 3. I did that on the orders of then Charge, John Bushnell. We signed over \$5 million to the government. The banks were closed. We found that both the Cali and Medellin Cartels reduced their sales to the U.S. by 45 percent because the money was located in the Panamanian banks, and they couldn't get the cash to Colombia to the guys who were buying cocaine down country.

We got the whole PDF organization taken down in 18 hours, and Noriega plus four more guys were evacuated to the U.S. with respect to the business of taking them to trial. ———. So we are still uncovering stuff and will for some time because we are going through this mountain of documents to sift through the data and make sure we got it all.

[Chart follows:]



JUST CAUSE ACCOMPLISHMENTS

- LARGEST NIGHT COMBAT AIRBORNE OPERATION SINCE D-DAY
- IN EXCESS OF 52,000 WEAPONS CAPTURED
- IN EXCESS OF \$7 MILLION SEIZED
- PDF ORGANIZATION DESTROYED WITHIN HOURS
- LEGALLY ELECTED GOVERNMENT INSTALLED
- PUBLIC FORCES RESTRUCTURED
- NORIEGA REMOVED FROM POWER (4 EVACUATED TO U.S.)



MISSION ACCOMPLISHED

(CHART NO. 43)

General THURMAN. You will notice in the paper that the government has begun to release some of the people that were in some of the embassies that I surrounded. I made the decision to surround embassies on the grounds that I thought Noriega would take flight into the Libyan, Cuban or Nicaraguan Embassy. I didn't surround the Peruvian one in time. There are some real bad actors in the embassies.

One is Gaitan, who is still in the Apostolic Nuncio's house. He is a murderer and torturer, and he could come back in five years and overthrow the country.

Marcella Tason is Noreiga's personal secretary. She is in the Peruvian Embassy, and she knows where all the money is. The people that were in there were clearly bad actors. One guy that was in the Nunciatura has written himself a check for \$5 million; he cashed it and immediately went to the Nunciatura thinking that he would make a quick trip to Rome or Spain. I didn't realize that many would go to the Nunciatura, but I was happy about that. The only better embassy for him to have gone to was the U.S. Embassy.

That is the situation in Panama at this time. You were generous and did quick work on approving the first \$500 million of the President's billion dollar program, and that has permitted us to begin to outfit with uniforms, radios and vehicles the new Panamanian Public Force, and to begin to pay off some of the international debt which has been incurred down there during the sanctions.

But there is another \$500 million that you haven't ruled on because you haven't gotten the request from the Administration. The major problem in Panama today is getting people back to work. 80,000 were out of work in 1987 when we put the sanctions on, and they have more than 160,000 people out of work today.

We have to get them back to work. Anything we can do to stimulate economic development or get American companies down there are actions which will enhance the government's ability to really take charge of the government properly.

The final point is I would anticipate that recognition of the Panamanian Government by other Latin American countries will quickly come to pass. I would say within the next five or six days you will see a substantial number of countries come forward in the group of eight who will begin to recognize the government and solidify its legitimacy.

So that is Panama at the moment.

We can go into drugs whenever you want to do that.

LEAKS

Mr. MURTHA. I will ask a couple of questions and then turn it over to Mr. McDade.

I have seen several reports in the newspaper that there were leaks attributed to State Department, to newspapers. Were there actually leaks and was it harmful to the operation?

General THURMAN. The answer to that question is leaks were not harmful to the operation. The operation was not compromised on leaks, and I have no evidence whatsoever on anything coming out of the State Department. As a matter of fact, I have General Stiner's press conference verbatim transcript here. What he said is

that he had heard of three possibilities. That wasn't quoted in the press. At the time of the operation, there was such a report. It turns out that was not the case. We have had the ——— the agency and the DIA go back and look at all the documentation.

Now we are currently pursuing in-house whether a trooper called up his girlfriend and told her to go underground after he heard the word at 10 o'clock to draw ammunition. It is clear that there were news broadcasts on television about 10 or 11 o'clock on various networks that there was a launching from Fort Bragg, North Carolina, and CNN is well heard in Latin America by cable. As a matter of fact, one of the things that caused Noriega to come out of the Nunciatura was that he had a CNN television in his quarters there and he could see 30,000 people outside demanding his arrest and trial.

I would say that we don't find any deep penetration of the operation, nor do we find any evidence that somebody in the State Department made any calls down there. We don't find that.

COMMUNICATIONS

Mr. McDADE. Would you yield?

The current issue of Life magazine has Seymour Hersh, the investigative reporter, making allegations that Noriega had compromised our most sensitive communications. He penetrated the communications systems in Panama. Do you have a comment on that? Have you had a chance to look at that article?

General THURMAN. I have not seen the article so I don't know what he said.

Mr. McDADE. I would appreciate it if you would look at it. He has a substantial allegation that Noriega somehow penetrated our secure communications.

General THURMAN. I don't think that he has done that, but I will take a look at that and come back to you on that.

[The information follows:]

The Life Magazine article written by Mr. Hirsch reveals no new sources or facts relating to previous allegations that Noriega had penetrated U.S. communications. We have and will continue to investigate all possible leads in this matter but have no facts at this time that lead us to believe our communications systems have been penetrated.

U.S. PRESENCE IN PANAMA

Mr. MURTHA. There are reports that there are groups that may be forming and trying to destabilize the government as we withdraw our troops. I assume we are going to have a strong presence there for an extended period of time?

General THURMAN. The U.S. Government has a right to be there until noon 31 December 1999. You also recall the buildup to our current 13,100—actually it is 13,600, which is the pre-Just Cause that the President shipped in a group of soldiers, sailors, airmen, and Marines to aid, and additional forces were sent in May 1989 when the beatings took place after the election.

when the beatings took place after the election.

So the number that I am marching toward at this time is 13,600. We will continue to monitor the rate and the number commensu-

rate with the situation with respect to whether there are any indigenous groups popping up or whether crime is being taken care of or not.

I looked at crime statistics for a period of three weeks—four weeks I guess—and there were 44 deaths in Washington, D.C., and there were 20 deaths in Panama City. So on a comparative basis, we are not doing badly.

Keeping an eye on such matters is one reason for keeping the Special Forces guys in the field out there for a while. Under the treaty we have a right to go anywhere we want in the country. We are doing that and, unfortunately, we had an accident last week in a rain storm where two aircraft flew into the jungle. Those people were on routine night operations that we will continue to conduct until 1999.

WEAPON CACHES

Mr. MURTHA. You found 52,000 weapons and the reports were a lot higher. Why didn't we have any idea those weapons were in the country? Is it impossible to monitor that?

General THURMAN. ———.

Mr. MURTHA. Mr. McDade.

Mr. McDADE. Thank you, Mr. Chairman.

I echo the plaudits——

General THURMAN. The troops did the work, sir, and they did a great job.

NICARAGUA

Mr. McDADE. You and your colleagues did a great job and we are proud of you. Every day we wake up smiling.

General THURMAN. Thank you, sir.

Mr. McDADE. I wanted to get a feel for Nicaragua, for the situation. I know that you have had to concentrate a great deal of your energy and resources on what you are currently doing, but without pressing, I realize a lot of the questions I would be asking you to speculate. I want to ask you a couple because it looks like we have won there in the sense of getting a democratically elected government, but we know Ortega and his brother run the Army and yesterday he commented there was no way he was turning over the Army until he got all these pre-conditions. In other words, he was acting like a guy who was going to run the country.

We know the Sandinistas are the largest single political group in the country. Do you have an assessment of that?

General THURMAN. Yes. You are right, they are the largest political party because UNO is made up of 14 parties. Ortega's own people are having a tough time accepting the fact that they got defeated at the polls, so one of his approaches is to tell them to remind themselves that they are still the largest party.

His principal henchman and brother, Humberto, as well as the principal military figure there, Arce, have stated that under no circumstances will they turn over the military or the ministry of interior to the new government. In other words, they will still control the Sandinista Army.

Mr. McDADE. This is as late as yesterday?

General THURMAN. On the other hand, we talk about conciliation and the like. Finally, there is the issue of the Contras. We would like to see them now disarmed and there are a number of them in the country, and across the border in Honduras. As you may have seen, obviously the Honduran Government would like to see them go back into Nicaragua as quickly as possible, and the Contras are, I think, amenable to doing that. But there is some notion about what the time line will be, and what the disarmament time line will be, based upon the fact that they will want to see the transition going along well.

The transition is 60 days; she doesn't take office until 25 April. There is an enormous stake in the events ahead based upon the activities of the next 60 days.

One of the things I am concerned about is do the transfer of arms from Nicaragua into the FMLN, in El Salvador. We must take precautions so the Sandinistas don't unload a bunch of arms that would allow the FMLN to fight for 60 weeks in El Salvador. So the situation is delicate. It needs moderating language by all of us in terms of giving Mrs. Chomorro the maximum support, because she has a difficult chore.

She left the country yesterday, I understand, to come to Houston to have her leg worked on again. She fractured her knee during the campaign. Her son-in-law is doing the transition planning with Ortega as we speak. But she has a difficult row to hoe, and we must do everything we can to assist in that process if we are ultimately to begin to disarm the Nicaraguans, because they still have the most powerful military force in the region.

Mr. McDADE. What is that current number under arms?

General THURMAN. Under arms I would say they have 50,000 under arms and 100,000 in the reservists. Fifty thousand active and 100,000 reserves.

Mr. McDADE. It was reported that the President and Mr. Gorbachev had a conversation by telephone, contents not really known, but we saw the Soviet statement which indicated that they are willing to be supportive of the freely elected government. That, I thought, was very astonishing and very encouraging, that they would welcome a democratic government in Nicaragua. What do you make of that?

General THURMAN. I think that is absolutely desirable ———.

Mr. McDADE. When did they come in?

General THURMAN. Last month. That doesn't say anything about Castro, who continued to transship stuff into the FMLN. What he is going to do now, I don't know.

Mr. McDADE. When was the last time that he did that? His last shipment in?

General THURMAN. As far as I know, he runs shipments in there every month. Now that the election has taken place, I can't tell you if anything has gone in. But he was running monthly shipments in there, and of course, the Soviet Union is supplying Cuba. They haven't stopped supplying military hardware to Cuba. MIG-29s are going in there even as we speak. So it is to be worked out, and I would applaud the Soviets, for saying what they are saying. Can they control Castro and can Mrs. Chamorro come to an accom-

modation and agreement with the Sandinistas through negotiations? How are they going to do that?

On review of my notes I see that the size of their armed forces is 87,000 total. So I would say it is a delicate period, and all of us have got to do everything we can to moderate it and keep it cool down there in order to make sure nothing goes wrong.

Mr. McDADE. How many Contras are in the country now and how many in Honduras?

General THURMAN. Three thousand in country—armed ones—and 6,000 in Honduras and another 60,000 dependents.

Mr. McDADE. Sixty thousand dependents?

General THURMAN. Yes sir.

Mr. McDADE. To the best of your knowledge, all the Contras have been told to lay down their arms, have they not?

General THURMAN. The call has gone out from a number of agencies to demobilize. On the other hand, some have said we are not demobilizing until we see the outcome of the elections. Others say not until we see the transition process. So it is a voluntary disarmament.

Mr. McDADE. It is a 60 day window?

General THURMAN. Yes sir. Yesterday, Ortega announced a unilateral cease fire inside the country, and that is good. If everybody respects that, that is one way of lessening the tension.

The Contras will look at—can we go back home and not have retribution heaped on us? That will have to play out before you see mass migration from the dependents.

IMPACT OF OPERATION JUST CAUSE

Mr. McDADE. Have you been able to make assessments of Operation Just Cause in Central America? We read everybody's pollster. I will never forget turning on ABC News and learning courtesy of their poll that the election was over, top of the news, nobody had a chance. Of course they are all wrong. They should be eating a lot more than crow and they are not.

Have we established any nexus between the action that the nation decided it had to take in Panama under a different set of circumstances, has that had an effect in your judgment on the other countries in Central America and if so, what is it?

General THURMAN. I think the action has had an effect. ———.

We don't know anything about the effect of intervention in Panama on the election in Nicaragua, although my own intelligence apparatus gave me the prospect it was 50-50. Friday before the election my judgment was it was a complete tossup. You couldn't believe the polls that came out. However, we do understand that there is a feeling inside the Sandinista organization at the moment that you do not want to pull a Noriega, which is to beat up Mrs. Chamorro and not permit her to take office because they have seen the handwriting on the wall. You asked me whether I have any information that might lead one to say, did that have an effect on anybody else? The answer is it has had a profound effect down there.

Mr. McDADE. What about the cartel in Colombia? Do you think that the action the nation took has had an effect on their thinking, et cetera?

General THURMAN. I do not think it has had an effect on them. I think as a matter of fact, the ELN, which is the guerrilla group in Colombia, has stated that they are going to go after Americans and the Sendero Luminoso stated they are going after Americans in Peru. So I don't believe that the incursion in Panama has had a direct effect of deterrence on them.

In Central America, I think it has had a deterrent effect.

Mr. McDADE. Thank you, General.

F-117 AIRCRAFT IN PANAMA

Mr. DICKS. I very much enjoyed the opportunity to go to Panama. I have said jokingly that the reason Noriega left the Vatican's embassy was that when he heard that 29 members of Congress were coming he figured he might as well throw in the towel.

General THURMAN. We appreciate your coming down and seeing the troops.

Mr. DICKS. It was terrific and you did a great job. The only thing I was nervous about was when we were in that helicopter in that rain storm. I thought the operations were very good.

I disagree strongly with one of the criticisms of the Chairman of the House Armed Services Committee, regarding the use of the F-117, the Stealth fighter. As I understood the briefing, the reason we used that plane was not because of its Stealth characteristics, but because it has the best quality to deliver the 2,000 pound bomb at night and in a very precise way.

General THURMAN. That is right. It was our choice. General Steiner asked the Air Force to provide it because the combination of the F-117 and the laser guided 2,000 pound bomb. The average circular error of probability (CEP) was ——— and the F-117 had its own capability to laser and we requested and were given that weapon system. Everything we asked for we were given.

Mr. DICKS. Also, the fact that that was a clandestine unit——

General THURMAN. It wasn't really a stealth situation. We were trying to get a big bomb in close to barracks where two companies that had been instrumental in the 3 October coup were. We wanted to stun them, knock them down, and tell them to give up quickly.

I had given General Steiner a set of orders which said minimum casualties, minimum collateral damage consistent with protecting American lives. We were trying to use a big weapon that would blow their socks off, drop their shorts on them, and the F-117 did it.

HOUSING IN PANAMA

Mr. DICKS. I want to congratulate you. We have Rangers from Fort Lewis that were involved. I had a chance to talk to those people when I was there and I appreciate that.

On the question of housing, what have we done about the people who lost their homes down here? Do we have that under control?

General THURMAN. Temporarily. We had an outdoor camp in Balboa high school area. We then moved them into an abandoned hangar.

We did \$400,000 worth of repair to the hangar and that has been turned over to the Panamanian government. We have 2,200 to 3,000 displaced persons there until such time as the government puts out a contract and the buildings are raised for the restoration of quarters for the people in the Chorillo area that got burned out.

That money was provided for in the original grant that the Congress approved and the President signed the bill on 14 February. So that is ongoing, but it hasn't been completed yet. It will be another six months before that is completed. Meanwhile, we are taking care of them.

PANAMA SECURITY FORCES

Mr. DICKS. One of the issues was what would happen with their security forces. They were restructuring it into more of a police force. How has that gone and do you agree with the direction they are taking?

General THURMAN. I agree with the direction. It is not going as fast as we would like.

I have retained in-country eight military police companies to continue to work with the new Panamanian Fuerza Publica (Public Force) in turning over the precincts. We just got the money again based on the bill passed and signed by the President—money for uniforms and radios necessary to outfit them as a precinct; we have eight precincts in the city of Panama and one in the city of Colon, and we are hand-holding with them now. We still have about 26 reservists there who are policemen from all over the United States. The Justice Department, ICITAP, their arm for international training and the like, is down helping to train the police force.

There is work to be done. The principal thing you have to do is change their head-space. They used to pick up a truncheon and beat people up; now they have to hold their hand and say, "I want to help you out." Crime seems to be abating, and we haven't had big caches of equipment found lately, but we have to get people back to work. The longer people are out of work, the more it will become the devil's workshop.

Mr. DICKS. On the question of laundering drug money is that still going on or have they got control of their financial institutions?

General THURMAN. Control of the financial institutions is going along well, I think. We have Treasury, FBI and DEA people down there working on that. One of the provisos of the bill was that they would comply. Mel Levitsky from the State Department went there, and they have signed the necessary agreements to make sure it doesn't get into that business again.

Mr. DICKS. We had a contingency plan for Panama.

General THURMAN. Yes, sir.

NICARAGUA

Mr. DICKS. Do we have one for Nicaragua?

General THURMAN. I have a lot of contingency plans.

Mr. DICKS. I understand. You mentioned the problem of there not having weapons going to the FMLN in El Salvador. What about the Contra weapons; what is going to happen to that?

General THURMAN. You know we have asked for a voluntary turn-in of weapons which has not occurred.

Mr. DICKS. We asked the Contras to voluntarily turn in their weapons?

General THURMAN. If you will recall, when the United States organization went into the area, one of the things they went with was a mandate to voluntarily disarm the Contras. At this time, that has not paid off very well.

Mr. DICKS. The Contras are still armed and they are on the border of Honduras?

General THURMAN. Some are in Honduras, and some are inside Nicaragua.

Mr. DICKS. In order to make this transition work, are we going to have to lean on the Contras?

General THURMAN. Yes.

Mr. DICKS. So you see that as an essential ingredient?

General THURMAN. Yes.

Mr. DICKS. What about the Sandinista military forces; what are we going to ask them to do?

General THURMAN. We are going to have to come to an agreement about who is running the Sandinista military force and that is Mrs. Chamorro dealing with Ortega as she negotiates the transition strategy of how the government will look.

Mr. DICKS. The quid pro quo is if we are going to ask the Contras to give up their weaponry, we have to get a commitment out of the Sandinistas that they are going to allow the new government to actually control the military.

General THURMAN. I would say there is work to be done on the two fronts you just described, and the path through that is not yet clear.

Mr. DICKS. That is something that has to be done?

General THURMAN. Absolutely.

As I said before, one of the things we don't want to do is see a flood of arms go from the Sandinistas to El Salvador to prolong that. We need to get a cease fire going there as well.

Mr. DICKS. I am sure they will say we don't want to see all the Contra arms go to El Salvador either.

General THURMAN. Yes.

DRUG INTERDICTION

Mr. DICKS. What are you supposed to be doing on the drug issue in SOUTHCOM?

I looked through your charts, but generally could you describe what it is that you are supposed to do and how we can be effective down there?

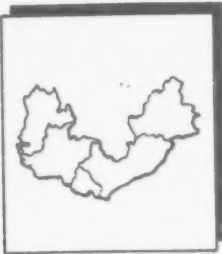
General THURMAN. Yes. Turn to chart 8. I think it is useful to get a picture as you go through. Andean Ridge is Venezuela, Colombia, Ecuador, Peru and Bolivia. On chart 9, notice how big those countries are in relation to the map of the United States.

On chart 10, you get a notion of what I look at as the funnel process. It constricts down to 1,200 metric tons of cocaine. ———. If you get into the interdiction game, you are into 3,000 ships and flights annually. If you multiply every ship by 50 to 2,000 containers, you get some notion of what the difficulty is of interdiction. That is the problem.

Chart 11 is the policy, Mr. Cheney's policy. Mr. Carlucci and Weinberger's policy were the two bullets on the top of the chart. Mr. Cheney told all of us to go to work. We can provide operational support—do any kind of operations support in the region necessary for the host government, providing there is adequate security. We cannot accompany forces, and we cannot do it on our own.

[Charts follow:]

ANDEAN RIDGE SITUATION



- SIGNIFICANT NARCOTICS INDUSTRY
 - PRODUCTION AND TRAFFICKING
 - NARCOTERRORISM
 - THREAT TO DEMOCRATIC INSTITUTIONS
 - VERTICAL INTEGRATION UNDERWAY IN BOLIVIA & PERU
- ON-GOING INSURGENCIES
- PAUCITY OF COMMUNICATIONS AND INTELLIGENCE INFRASTRUCTURE
- DEBT AND DECLINING STANDARD OF LIVING

(CHART NO. 8)



(CHART NO. 9)





2-3 MILLION USERS
IN THE
UNITED STATES



300-400,000 USERS
IN
EUROPE



1,300 - 3,500 FLIGHTS
ANNUALLY

3,000 - 5,000 SHIP VOYAGES
ANNUALLY

1200 METRIC TONS OF COCAINE

2,800 METRIC TONS OF PASTE

750,000 CAMPESINOS PRODUCE 201,400 MT OF LEAF

(CHART NO. 10)



U.S. MILITARY COUNTERNARCOTICS POLICY

- OLD POLICY
 - ONLY TRAINING
 - ONLY LOW THREAT AREAS
- NEW POLICY
 - ADDS OPERATIONAL SUPPORT
 - PERMITS OPERATIONS IN ANDEAN REGION WITH ADEQUATE SECURITY
 - SECURITY ASSESSMENT REQUIRED
 - DOD PERSONNEL WILL NOT ACCOMPANY HN FORCES ON FIELD OPERATIONS

(CHART NO. 11)

Mr. DICKS. It says permits operations in Andean Region with adequate security. What does that mean?

General THURMAN. ———. I have a group of Army pilots training Colombian pilots, helicopter pilots, in Melgar, which is one of their aviation bases.

Mr. DICKS. Right now we are trainers?

General THURMAN. Yes. The last bullet on the chart is the pertinent bullet. I may not accompany host nation forces, nor may I do it on my own. For example, I cannot put a soldier, a U.S. Army pilot in the driver's seat of a helicopter. I can't do that.

Mr. DICKS. Could he be in the passenger seat?

General THURMAN. No. They cannot go on operations.

Mr. DICKS. No operations.

General THURMAN. No operations. We got a pretty clear mandate that we are not able to go on operations. I can't accompany them on operations.

Mr. DICKS. What about intelligence agencies?

General THURMAN. The DEA can go on operations with them but I can't.

Mr. DICKS. Do you agree with that?

General THURMAN. One of my long suits is obedience to orders here, and I agree with the policy until the policy is changed. I am obeying the policy.

Mr. DICKS. Do you agree with the policy?

General THURMAN. Yes.

Mr. DICKS. At this point you don't want to be doing operations and going out there with the other guy's forces?

General THURMAN. No, I think the policy is a good policy. It is their country. They have to do the operations. We put DEA people in there, and we have contract pilots working for the State Department and the like, we can't use any U.S. military pilots on that. I can fly AWACS, train them in how to use radars on the Caribbean Basin radar—

Mr. DICKS. What about interdiction? You have got planes and ships; can you interdict?

General THURMAN. I don't own any water. Turn to chart 3. I am the only CINC in the world that doesn't have any water. You will notice that the Atlantic Fleet owns the water on both sides of South America, so that commander does the interdiction.

Mr. DICKS. That is not part of SOUTHCOM's responsibility?

General THURMAN. No, sir.

Mr. MURTHA. Has it got to be changed, the responsibility? Should that be changed?

Mr. DICKS. You have the water in the canal, don't you?

General THURMAN. No. That is Panamanian water. I always respect the sovereignty of the country.

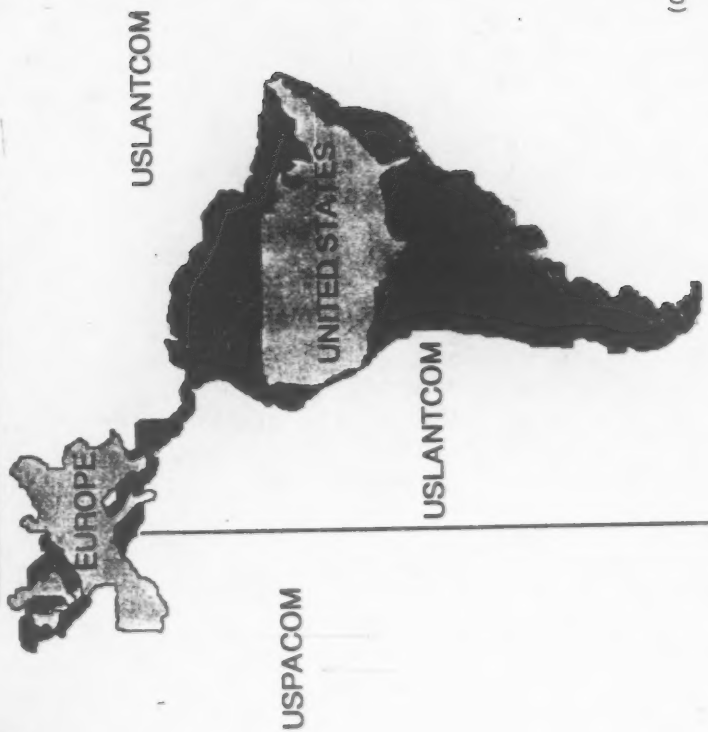
Mr. MURTHA. Should that be changed or are you satisfied?

General THURMAN. It does not impede the operations that I am involved in.

[Chart follows:]



**USSOUTHCOM
AREA OF RESPONSIBILITY**



(CHART NO. 3)

SPECIAL OPERATIONS FORCES

Mr. DICKS. When Members of this committee were there, Mr. Livingston and I did not get to go and hear the information regarding the use of the Special Operations Forces. At this level of clearance, can we talk about that?

General THURMAN. If you ask me, I will tell you the answer, perhaps.

Mr. DICKS. I am curious generally about how were those Special Forces employed?

General THURMAN. We had 4,100 people down there ——— the SEALS, and the 23rd Air Force, which is a Special Operating Force, and we had the Rangers—they are part of the Special Operations Forces. They were involved in every single facet of the operation from start to finish ———. The SEALS were in the operation at the Paitilla airfield. The Rangers attacked Rio Hato and took down the airfield at Tocumen. ———.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Miller.

HELICOPTERS FOR COLOMBIA

Mr. MILLER. Thank you, Mr. Chairman.

General, you mentioned a few minutes ago about the training of helicopter pilots in Colombia and Peru, as I understand it.

General THURMAN. Colombia specifically, sir.

Mr. MILLER. That is training. Do they have or are we furnishing the platform, the helicopters? They cannot train without helicopters. Are we furnishing those helicopters or are they buying those helicopters?

General THURMAN. In the case of Colombia, you will recall about last September the President invoked his authority under the 506(a) authority to provide \$65 million worth of support to the Colombian government, to Mr. Barco, to aid and abet the counterdrug program. Among things delivered were 12 UH-1 helicopters. They came out of the inventory as we draw down and replace them with UH-60s. So in the case of helicopters, yes, they were provided.

Security assistance for Peru and Bolivia wasn't much last year, it was principally the \$65 million that went into Colombia. This year there is \$35.9 million going to Peru, and \$39.7 million to Bolivia and \$48.8 million going to Colombia.

The Colombians want to purchase another 12 helicopters from the United States Government though security assistance that is in the counternarcotics security assistance money. So the answer is—we are furnishing helicopters to them through the aegis of the 506(a) and specifically there is money in the budget that you have approved that is cut by the State Department in terms of apportioning to the various countries. Moneys will be used to buy certain items of equipment like that.

Mr. MILLER. Normally people say they could use more. Do you think 12 helicopters is enough to be able to do the job properly?

General THURMAN. It is my judgment that the 12 helicopters we gave them on top of the ones they already had, they already had 28, so now they have 40; should be sufficient but, the principal problem this year is not more equipment but to keep the equip-

ment they have operational—operational and maintenance money to buy the spare parts, train the mechanics and get the operational readiness rate up to what is equivalent in the United States Armed Forces.

I have been working with the ambassador to do that. They don't need more equipment; they need more operational capability out of the equipment they have.

DRUG INTERDICTION

Mr. MILLER. You had also mentioned the AWACS. Are they in use in the area?

General THURMAN. Yes, sir.

Mr. MILLER. Are you satisfied with taking on this mission of drug interdiction?

We, in the Congress, have approved a piece of legislation, one after another, that gets the military involved a little more.

General THURMAN. I am absolutely convinced that it is time for us to do it. I was going to be retired last September until the Secretary of Defense asked me to go down to Panama, and one of the reasons I took the job was because it is time for the military to put its equipment and talent to work on this national security problem.

The people of America believe that drugs are a national security problem, so if the national security apparatus can't work on a national security problem, then we are in tough shape. We have a capability with intelligence, training and plain old ingenuity to assist Latin American countries in the prosecution of the war on drugs. It is in their country, and we have to recognize it is their country. We have to recognize their sovereignty. We can put forces in their countries only with their permission, but to that extent, we ought to be doing everything we can to help them.

DRUG INTERDICTION FUNDS

Mr. MILLER. It is to get a handle on what we are spending to stop the drugs coming in, it is generally buried in the budget. Do you have a figure, in round figures, how much in your budget would be directly related to drug interdiction?

General THURMAN. Yes, sir. I just happen to have that number.

If you will turn to chart 22 in your package there in front of you, you can see I am a very modest command. I am the cheapest command you have going, the \$1.98 command down there.

My budget is less than half-a-billion, \$452 million; on the top right of the chart, you see that number, sir?

Mr. MILLER. Yes.

General THURMAN. Below that you see a number in parentheses, \$191.2 million. That is how much money in that budget is counter-narcotics money. That does not include security assistance money.

Turn over to the next chart. On chart 23, you will note that this is the 1991 budget that is sitting before you. For foreign military financing, a total of \$5 billion was requested. Notice who gets all the money—Israel and Egypt, Turkey, Greece, Pakistan and others. The money that is going into South America is the money you see

on the right of the chart, a total of \$276 million, of which \$137 million is counternarcotics money. Is that helpful to you?

Mr. MILLER. Yes.

[Charts follow:]



USSOUTHCOM FY 91 BUDGET* (\$M)

(LESS SECURITY ASSISTANCE)

	CENTAM	ANDEAN RIDGE	SOUTHERN CONE	TOTAL
C3	17.0	27.6	9.0	53.6
INTEL	50.5	60.5	4.4	115.4
AIR SURVEIL	41.7	29.3	-	71.0
AIRLIFT	54.9	60.0	10.0	114.9
EXERCISES	12.1	29.3	16.6	58.0
MILCON	20.2	1.7	-	21.9
RIVERINE/MINE	1.3	2.7	1.2	5.2
OTHER	4.6	5.0	2.8	12.4
TOTAL	202.3	206.1	44.0	452.4

COUNTERNARC	(19.2)	(141.7)	(30.3)	(191.2)
-------------	--------	---------	--------	---------

* BASED ON FY 91 INTEGRATED PRIORITY LIST

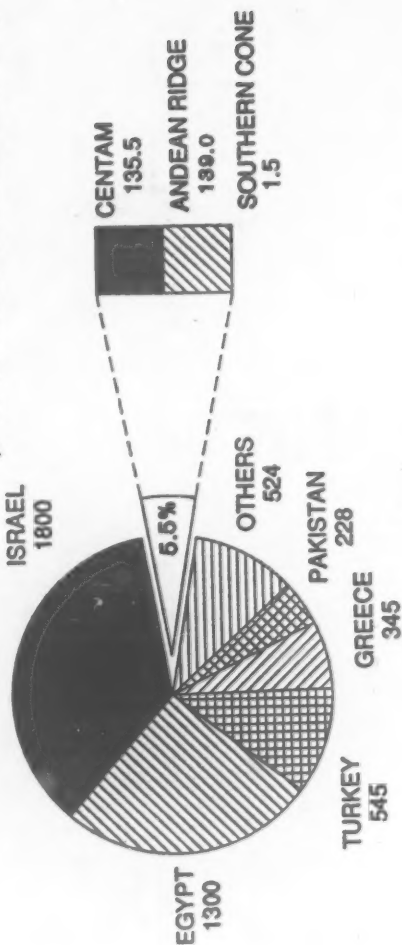
(CHART NO. 22)



FOREIGN MILITARY FINANCING PROGRAM FY 91 (\$M) - PRESIDENT'S BUDGET

WORLDWIDE TOTAL: \$5016.0

LATAM: \$ 276.0
(\$ 137 PRESUMED TO BE FOR C-N)



(CHART NO. 23)

SECURITY ASSISTANCE

General THURMAN. I want to tell you while I have the chart open on security assistance, with all due respect, we have too many earmarks on this money. We are in a straight with Panama money, Nicaragua money, any kind of money because of the extent to which we have earmarked assistance money.

Mr. MURTHA. We asked that question to every CINC last year and then I wrote a letter to Congressman Fascell and Congressman Obey and I said all the CINCs said they need less earmarks and we endorsed it.

General THURMAN. We appreciate your continual endorsement of fewer earmarks because we are really strapped now—not “we,” because we don’t own the money, the State Department does. But this is a principal tool for us.

If you are interested in the chartology, I have broken up my area of operations into four areas. Panama, Central America, the Andean Ridge and the Southern Cone. The money there is very penurious in terms of military assistance, everything going into the Andean Ridge is anti-drug money, and nothing is going to Ecuador which is also an Andean Ridge country.

You have three principal countries in the drug game that we are supporting at the moment: Colombia, Peru, Bolivia; but there are six other countries into which the spill-over is going to occur because the druggers will move the operations if they have to do so in order to avoid what is going on in other countries. They will move into Argentina, Chile, Paraguay; they are already moving into Venezuela; and they will transit Ecuador and Brazil.

They will move into the Amazon jungle as sure as I am sitting here. So there has to be more authority in the budget to be able to take care of these six countries.

I have visited four of the six, and they understand the nature of the beast, the spillage into their country. I call it the Pillsbury Doughboy. If I poke him in the belly-button in Colombia, his elbow is going to flex over into Venezuela.

They have already had the first killing of a Venezuelan guard along the border by narcotics traffickers coming in to Venezuela. So this problem is not confined to the three Andean countries.

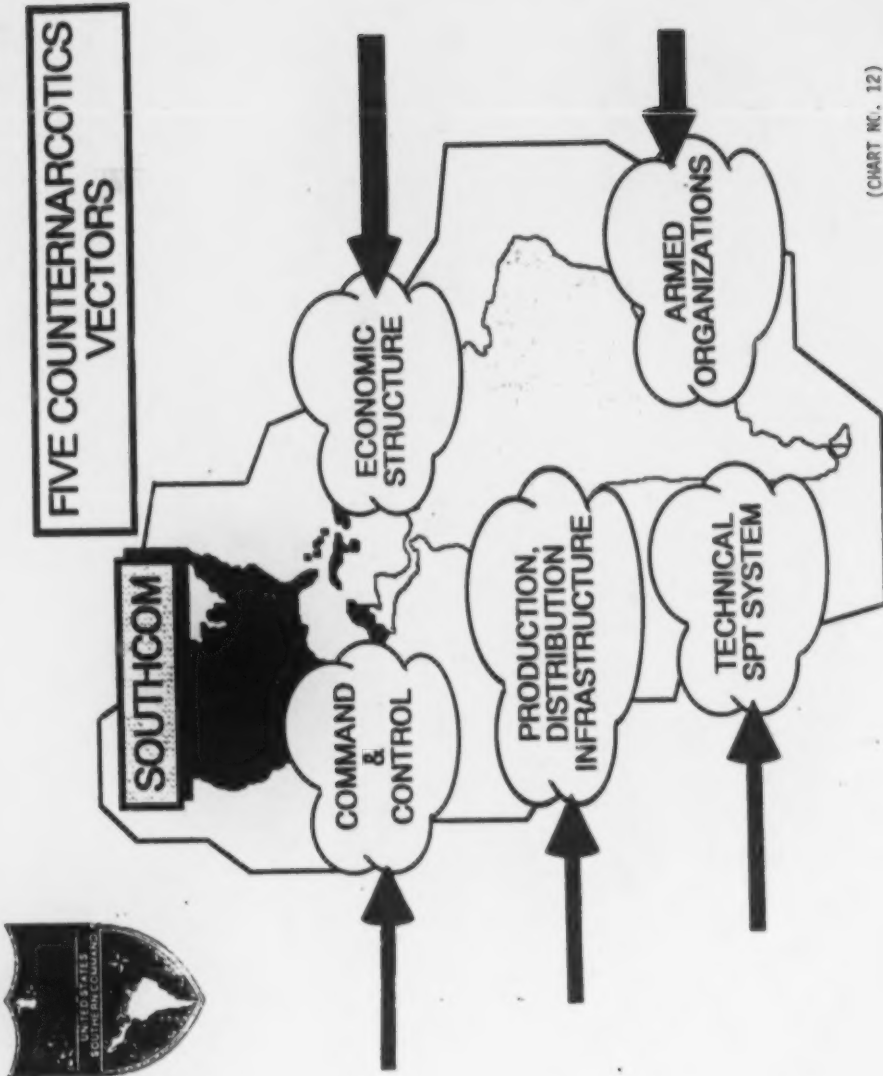
Mr. MILLER. We do have intelligence in that area and they are going to feed information back. Do we have an opportunity to work with the local government in order to follow this, the laboratories will be moved from one place to another?

General THURMAN. Turn to chart 13 for a moment. Somebody wanted to know do I have a strategy for that, and the answer is on chart 12. You have to attack the economic structure, command and control, production and distribution infrastructure, technical support systems, and armed organizations—all these things have to be attacked.

On chart 13, the principal entry is the first one; you must have an adequate intelligence apparatus. That is the principal problem—to get adequate intelligence.

On chart 14, you can get a picture of the Caribbean Basin Radar Network that will exist after you appropriate the money for 1991. That is beginning to seal off the Caribbean. On chart 15, just look at the way in which we are organized right now.

[Charts follow. Classified Chart No. 15 was removed:]



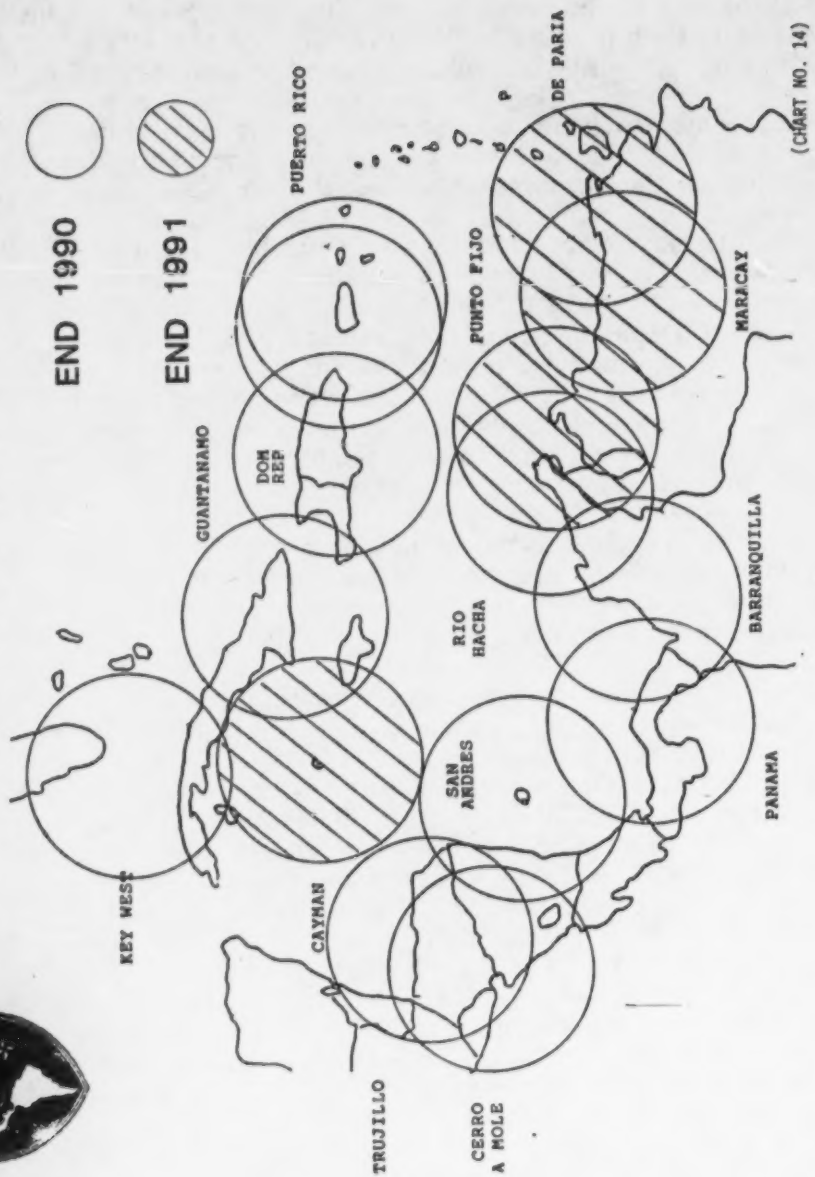
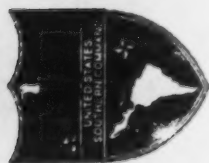


USSOUTHCOM PRINCIPLES FOR COUNTERNARCOTICS EFFORTS

- INTELLIGENCE: THE KEY TO SUCCESS
- MINIMIZE U.S. FORCE PRESENCE
- PROVIDE SUPPORT TO HOST NATIONS
- INTERDICTION FAR FORWARD
- RESPECT SOVEREIGNTY
- PROVIDE EARLY WARNING

(CHART NO. 13)

CARIBBEAN BASIN RADAR NETWORK



General THURMAN. In the National Capital Region, there are some 51 agencies of the Federal Government that have their hands in the narcotics business, so you may ask who is in charge. The answer is that it must be the President of the United States, because he is the only individual who could have control of 51 agencies.

Each embassy has the same agencies involved under its jurisdiction, and additionally it has to deal with the host nations. I am on the side in the business of aiding the embassies any way I can.

Mr. MILLER. What would be in your budget then for 1991? Do you feel that there is enough dollars to do what you are talking about if we can make the agreements?

General THURMAN. It is not only my budget, it is the NSA and Agency's budgets and the like. I am okay.

Mr. MILLER. My question was whether other agencies would be putting in the 1991 budget—I don't expect you to give a dollar value but do you think we are pushing hard enough on that in order to gain the intelligence and have enough dollars spent on that purpose?

General THURMAN. We are not. The process is in motion, but it would be a worthy endeavor to call people before the committee and say let's get to the counternarcotics game—do you have enough money in the program to make it dance in 1991.

Mr. McDADE. Would you yield?

I think you have opened up a very important area. I think the suggestion about doing something like that is good.

General THURMAN. ———.

Mr. McDADE. Of the existing inventory, even without modifications, what kind of platforms and how many do you need to adequately do the kind of intelligence work you think you need to do?

[CLERK'S NOTE.—Classified discussion was removed.]

Mr. McDADE. You are handing them a gift and it takes five years. What I am trying to figure out from your answer, because the event didn't make sense, why did that happen?

General THURMAN. Because we have national security regimentation that says, for example, that I don't give people ———.

There is a variety of impediments to providing the kinds of materials that are necessary to carry out the drug war that have not been wrestled to the ground.

You must remember that the Secretary of Defense only told us to get with it on September 10, and I am trying to make the assertion that we haven't yet turned the big machine. It is like sailing the aircraft carrier and making a hard right turn, and it hasn't made the turn yet. ———. Those three people should come before the Committee.

Mr. MURTHA. Since I visited you and discussed these things, we had the S&I staff do an indepth study, they talked to you, they went all through South and Central America. We are going to have NSA and DIA and all the drug agencies here for a coordinated hearing on interdiction because of these types of institutional problems you talked about. We went to Florida to the drug interdiction command center place and we ran into different problems everywhere we go,

coordination problems. The S&I staff are critical of some of the things going on at DEA in particular.

Intelligence we realize is a key. We are going to have a hearing shortly on that very thing.

General THURMAN. I would ask you to take a look at the platform inventory as well as interdiction itself. ———. Can you imagine doing that with ——— aircraft.

Mr. MURTHA. Why do you only have ———?

General THURMAN. That is all the command has built.

Mr. MURTHA. You are just getting started? We will get requests before markup for equipment I assume that you need down there.

General THURMAN. I will do my very best to give you those.

Mr. MURTHA. Either front channel or back channel. We sometimes don't agree with the Defense Department—

General THURMAN. I will be glad to supply you with an inventory list.

[The information follows:]

The FY 1991 President's Budget request contains most of my counternarcotics requirements. Shortly after I took command, I made an initial assessment of US-SOUTHCOM's requirements and was given the opportunity to incorporate these into the budget request. Six months into this mission, I am completing a bottoms-up scrub of counternarcotics requirement. ———. I am submitting these new initiatives "front channel" through JCS to DOD.

Mr. MURTHA. Mr. Miller?

BUDGET REQUEST FOR DRUG INTERDICTION

Mr. MILLER. I wanted to mention that many times we who sit on the Defense Committee are told you don't need to spend the money for defense, you need to spend the money now for drug interdiction. This is why we need to get the total amount of dollars that are allocated for drug interdiction and I think that the military has a lot of dollars in their budget—as a matter of fact, I know they do with everybody that has been before the Committee; they have the dollars in here, but they are more or less hidden.

I think we need to be able to tell the people that we are spending "X" amount of dollars for drug interdiction, including whatever would be in your budget and other branches of the service.

General THURMAN. For 1990 the DOD is spending \$880 million. That is the number for 1990. In the 1991 budget, the dollar value is \$1.2 billion. This does not, repeat does not, include the money in the State Department budget.

Mr. MILLER. That is a start in the right direction.

General THURMAN. Let me give you an example of that. As I said to you, and it is classified for obvious reasons, we have an AWACS flying in part of my area of operations.

That AWACS is going to be flying somewhere in the world, because we have to keep the troops and the pilots and the crews proficient in the use of the AWACS. So it is okay to use them in the drug game, provided they provide useful information and they do, would be charged off against the drug business.

It costs \$6,000 to fly an AWACS per hour, that is part of that \$880 million this year being spent by DOD. Steaming hours of the Atlantic Fleet off the coast of Colombia would be charged off as part of the \$880 million. ———.

Mr. MILLER. Thank you.
Mr. MURTHA. Mr. Sabo?

CARIBBEAN BASIN RADAR NETWORK

Mr. SABO. Thank you Mr. Chairman. Welcome General.

I am curious about the Caribbean Basin Radar Network system. What is the current status and what are your plans for funding in 1991? I am also interested in the networks relationship to the Backscatter system that was supposed to be located in the northern U.S. That system was designed to detect ———, which apparently it can't do, and so the major justification for the Backscatter today is that its radar capabilities could be used in the Caribbean.

Do we need both the Backscatter and the Caribbean Basin Radar Network and if so, why?

General THURMAN. I am not an authority on the Backscatter, so I cannot comment on it one way or another. On Chart 14, you will see in the book of charts, the hashed areas are the 1991 deployment where we will be at at the end of 1991. In the budget there is a total of about \$42 million—\$42 million and \$19 million is a total of \$61 million worth of money in the Caribbean Radar Network. Of that, \$19 million is for radar in Costa Rica and \$22 million is to operate the system a year, and then \$20 million is to do the first radar on the West Coast of Colombia in order to get off the Pacific side, as well as the Atlantic side.

What the diagram shows you is what would be installed at the conclusion of 1991, so you begin to see there is a very robust system operating in the Caribbean at the end of 1991 in terms of what is up and operating in the Caribbean Basin Radar Network. I would also caution you by telling you that the coverage, which I have drawn here are at 10,000 feet, and you get a different picture of that at 5,000 feet, or a different picture of that at 500 feet, less coverage as you do down due to curvature of the Earth. That is where I would have to get a radar expert to then overlay what the Backscatter radar would do to complete the system, and I am not particularly qualified to do it.

I will have that furnished for the committee.

Mr. SABO. Thank you.

[The information follows:]

An Over-the-Horizon Backscatter (OTH-B) radar system could provide coverage of the Caribbean basin from a location in the eastern United States.

OTH-B radar provides broad area surveillance which is useful for early warning, and for cueing conventional microwave radars, like CBRN. Some advantages of OTH-B are: it can detect relatively small aircraft at long ranges, 1600 to 1800 nm, and at low altitudes by providing rough target location and track data. Conventional microwave radars are necessary to provide the precise target location and altitude information necessary for intercept operations. CBRN radars can also interrogate target aircraft IFF (identification) systems to correlate with flight plan data. CBRN radars have a maximum range of 240 nm for high altitude targets; with decreasing ranges for low altitude targets due to curvature of the earth.

Priority should continue to be given to the participative CBRN air surveillance system that enhances host nation air sovereignty and U.S. regional objectives. CBRN is unfolding today; OTH-B for the Caribbean basin is a future possibility. Over seventy five percent of CBRN procurement funding has been appropriated, most host nation agreements have been negotiated, the system is on contract and being installed and the first radars are operational. If we were beginning both systems today, first priority would still go to CBRN. An OTH-B radar, sited so as to

provide coverage of the Caribbean basin, northern South America, and western Central America could complement CBRN in the future.

PANAMA SECURITY FORCES

Mr. MURTHA. Mr. Livingston?

Mr. LIVINGSTON. I enjoyed having you before the Intelligence Committee a week or so ago, and I am glad to have you here and I want to reiterate about what a great mission it was. If you have not already talked about it, I have been in intelligence earlier today and I would like to hear how Calderon is doing with his popular forces and how you see security for Panama going now.

General THURMAN. Chart 42 will show you the latest break out in terms of how he has broken out the government forces. And for those of you that do not know Dr. Arias, he is a First Vice President under President Endara shown at the top of the chart. He is also the Minister of Government and Justice on the left of the chart. He has under his cognizance, the public force, including the police, intelligence, counter-intelligence, VIP protection service, air service, and control of the immigrations and customs has been broken out, which he has put under the Ministry of Treasury.

On the right of the chart, he has broken out the Technical and Judicial Police and that is to go underneath the Attorney General. One late breaking piece of news is that Mr. Endara has put up a National Security Council function, directly reporting to him to counterbalance the Fuerza Publica that are going on.

How are they doing? The law that you all passed and the President signed on 14 February, is now in full fruition, we have money now to buy the radios. We are still hand-in-hand with the Fuerza Publica in the City of Panama, and in Colon with our MP companies. I still have the Special Forces in the field and will continue to have them there ———.

It is beginning to come to fruition; it is not there yet.

Mr. LIVINGSTON. Do they have a pretty good system you think that they are working toward?

General THURMAN. I think it is a pretty good system, it is a matter of changing the head space. The first guy who was head of the Fuerza Publica—they inspected his bank account and found he had \$1.2 million. They said, "where did you get the money?" He said, "I was paid additional when I was a Mayor in Colon." With that Dr. Arias threw him out, and he fired another guy last week.

So there is still purging today based on their having grown up in a system that condoned thuggery and thieving and knocking down money.

Mr. LIVINGSTON. It has to be very difficult to find technically-qualified people to do the job who are outside the system and people you can trust?

General THURMAN. That is right.

Mr. LIVINGSTON. I understand they are still having difficulty filling ambassadorial posts, diplomatic posts and perhaps judgeships as well

General THURMAN. That took a long time to get going, but we have enough to run night court. The law is going to come to some degree of stability. We are well below the City of Washington in the number of murders per month. Panama City is only a city of a

little more than 1 million there and Washington is about the same, 1.7 million, we are beginning to make inroads on it, but it is no short-term deal.

Mr. LIVINGSTON. They have to change their judicial system to change criminal law?

General THURMAN. Criminal laws and pay laws, even lieutenants and captains are going to walk off the job to get more money in the private sector because they previously knocked down money inside the PDF organization.

U.S. PRIVATE SECTOR INVESTMENT

Mr. LIVINGSTON. I understand that in your initial statement you encouraged the private sector to get there and start drumming up activity.

Who would they contact, if they wanted to deal with the private sector there, who would they contact, if they wanted to deal with the Government of Panama, what, U.S. forces there, who would they contact?

General THURMAN. There is an economic counselor in the Embassy. I can provide the name.

[The information follows:]

The economic counselor at the U.S. Embassy in Panama is Mr. John Dawson.

General THURMAN. He is the guy that should be contacted if you are going to make a governmental contact. Vice President, Billy Ford is the guy to contact in the Panamanian Government because he holds the title as the Economic Minister in addition to being the Second Vice President and he is hard at work trying to drum up trade. For example, United Brands came in the other day and said they wanted to invest \$150 million in the economy over a three-year period of time. We need about ten more like that and we will be all right.

Mr. LIVINGSTON. If they wanted to deal with the Armed Services, would they also go through the economic counselor?

General THURMAN. I will be happy to talk to them. I have a group coming in from the State of North Carolina, because I happen to be a North Carolinian, and they said they would bring ten CEO's there to see what they could get going, and I said fine.

I think we can do great if we can get some investment made. The problem at this time with the economic situation is much of the money that you provided is going to pay off arrears to the international financial institutions, in order to gain the good graces of the IFT's. That doesn't create jobs at the front end.

It goes in quickly to pay off arrears debts to the tune of \$500 million.

NEW SOUTHCOM HEADQUARTERS

Mr. LIVINGSTON. I have a series of questions that I would like to introduce for the record on the new SOUTHCOM headquarters.

General THURMAN. You mean where we are going to be?

Mr. LIVINGSTON. Yes.

General THURMAN. I don't know. As you know, the Treaty Implementation Plan is under the jurisdiction of the Secretary of the Army and his principal agent is Mr. Page, Assistant Secretary for

Civil Works. They are thrashing out where and when SOUTHCOM would come out of there. That has not yet been decided.

Mr. LIVINGSTON. That is out of your pay grade.

General THURMAN. I don't have any jurisdiction other than to make recommendations.

Mr. LIVINGSTON. I will introduce the questions for the record, and I have a couple of others that are brief and for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Livingston and the answers thereto follow:]

COMMUNICATIONS INTEROPERABILITY

Question. General, since the Grenada operation this committee has been very concerned about communications interoperability. We are told that similar problems did not occur during the JUST CAUSE operation. Is that the case?

Answer. Yes, that is the case and for a number of reasons. First, we were a bit more proactive during the period of time leading up to the execution order for Operation Just Cause. The indicators were there that an operation of this sort might become a reality, so my staff fully exploited all planning opportunities. Second, my staff totally intergraded a number of critical war fighting documents into the planning effort. They included the Joint Tactical Command and Control Architecture provided by the Defense Communication Agency, the Annex K (Communications Annex) to the executed Oplan, the Unified Commander's Joint Communications Plan (JCP), the Joint Task Force Commander's Joint Communications-Electronics Operating Instruction (JCEOI), and the Intertheater COMSEC Package (ICP). Third, I directed my J6 to closely conduct liaison with JTF staff members to ensure all deploying units were familiar with Operation Urgent Fury after action reports especially pertaining to C3 shortfalls. These three precautionary measures went far to ensure that those mistakes made in Grenada were not duplicated in Panama—and they weren't.

Question. Were you satisfied with your command's ability to communicate across service lines during JUST CAUSE?

Answer. Probably the most important factor in determining the outcome of any U.S. military operation is the professional abilities and spirit of the American Fighting Man. The second most important factor is his ability to communicate. Without that ability, a Commander could not effect the proper Command and Control of his forces. Fortunately, this was not the case during Operation JUST CAUSE. In fact, the results of this operation were a direct result of our ability to communicate in any direction including across service lines.

Question. To eliminate some of the problems defined in Grenada, the Army developed (and this subcommittee supported) and fielded the Airborne Command and Control Console (AN/ASC-15B). This console provides multi-mode, tri-service, interoperable communications. I understand that this system was used by engaged units during JUST CAUSE. Did this equipment performed as expected?

Answer. There was one Airborne Command and Control Console (AN/ASC-15B) in Panama during operation JUST CAUSE which

was used by the 7th Infantry Division Commander. The console was used extensively during the first week of the operation and it performed as expected.

Question. Would you rate this system as a significant help in the exercise of command and control?

Answer. Yes, the system provides the commander the multi-mode communications he needs. During operation JUST CAUSE it provided secure long haul communications for the 7th ID Commander.

NEW SOUTHCOM HEADQUARTERS

Question. The U.S. is scheduled to pull out of Panama by the turn of the century as the Panama Canal Treaty is implemented. What sites are under consideration for becoming the new US-SOUTHCOM Headquarters?

Answer. Brooks AFB, TX, England AFB, LA, Fort Polk, LA, Fort Sam Houston, TX, Homestead AFB, FL, MacDill AFB, FL, NAS New Orleans, LA, and Patrick AFB, FL.

Question. What is the current status of the review of the site selection process?

Answer. Detailed evaluations and on-site surveys of each of these sites have been accomplished by the Executive Agent for the implementation of the Panama Canal Treaties to determine which of these sites ranks as the best relocation site for the Headquarters. The Executive Agent has prepared a Decision Document, based on the results of these surveys, recommending USSOUTHCOM's future relocation site. We expect the Secretary of Defense's approval of this document before 1 May 1990.

Question. What are the major criteria that are being evaluated in terms of the pluses and minuses of a future location for the US-SOUTHCOM Headquarters?

Answer. The major criteria used to evaluate each site included:

Mission Consideration: ensure effective accomplishment of US-SOUTHCOM's mission, mission compatibility with the host site, travel time to the AOR, availability of comm/intel system links with the AOR and Panama.

Base Support Facilities: availability of administrative space, family housing, schools, medical/dining facilities, airfield and maintenance facilities and overall quality of life at the site.

Community Support: availability of off-post housing, schools, civilian labor force, civilian health care and LATAM study programs available at universities in the area.

Environmental Considerations: impact of USSOUTHCOM relocation to the site. Available transportation network, regional economy and safety at the site.

Cost consideration: economic analysis of the cost of the relocation of the Headquarters at the various sites.

Question. Do you anticipate that the SOUTHCOM would relocate to an existing facility in the U.S. or do you think a new facility would be constructed?

Answer. Existing facilities have been reviewed based on the above-mentioned criteria. If the best site does not have existing facilities USSOUTHCOM's Program Objectives Management (POM) currently has programmed funds for a new Headquarters building

as well as the physical relocation of people, equipment, vehicles, etc., to the final site selected.

[CLERK'S NOTE.—End of questions submitted by Mr. Livingston.]

Mr. LIVINGSTON. Thank you very much.

Mr. MURTHA. Any other questions?

General, thank you very much. We appreciate you taking the time to come before the committee.

Keep up the good work. I compliment you on the tremendous job the troops did in Panama. I was at the hospital and talked to three of the men who were still there. They knew exactly why they were there, they understood their mission and they were outstanding examples of well-trained soldiers.

General THURMAN. One of the pleas I would make to you and your colleagues is as you debate things, including the \$777 million reprogramming action, bear in mind that it is those great young troops that you have seen on the spot down there that make things go for us, and the frailty of a large scale reductions in strength make it extraordinarily difficult to manage the force.

That is something that the committee needs to take cognizance about as we go down that path. We know we are going to reduce forces, and the trick is to manage force readiness as we are taking the force down, so if called on they can display the same quality and demeanor that you saw during Operation JUST CAUSE.

Mr. MURTHA. The committee will adjourn until 1:30 this afternoon.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

C-27 AIRCRAFT

Question. What are the candidate aircraft for this program?

Answer. Two candidate aircraft appear to fully meet USSOUTHCOM's STOL aircraft requirement: The Rockwell/Casa 235 and the Chrysler Technology/Aeritalia G-222.

Question. What is USSOUTHCOM's total requirement for these type of aircraft?

Answer. USSOUTHCOM's total requirement is for one squadron of ten aircraft.

SOUTHCOR RESOURCES

Question. Do you believe that the resources available to the Southern Command—personnel, equipment and facilities—are adequate for the Command to carry out its mission successfully? If not, what are the shortfalls? Are there any ways to save money without adversely affecting the mission of USSOUTHCOM?

Answer. The FY 1991 President's Budget fully supports USSOUTHCOM's requirements as articulated prior to the January 1990 submission to Congress. As we implement the President's counternarcotics strategy, we are coming to a better understanding of the capabilities, programs and systems necessary to combat the production and trafficking of narcotics, and to provide operational support to the host countries. For example, as we define and quantify our intelligence collection requirements, we have identified the

requirement for a medium range, long loiter SIGINT platform that we were unable to have considered during the budget process.

The scope of USSOUTHCOM's mission is increasing. Countering the narcotics trade, assisting countries in their struggle against insurgencies, and supporting the emergence of democratic institutions requires increased resources, such as we have in the FY 1991 Budget. USSOUTHCOM will continue to extract the maximum value from the smallest budget of the regional Commands.

OPERATION JUST CAUSE—LESSONS LEARNED

Question. When General Vuono appeared before the House Appropriations Committee he mentioned a "Lessons Learned from Operation JUST CAUSE" Study was underway. What is the status of that study?

Answer. An initial abbreviated list of lessons learned has been completed. Most of the units within SOUTHCOM have provided after action reports to the SCJ3. I will publish a complete after action report early this Summer.

Question. Do you have any preliminary conclusions at this time?

Answer. Following is an abbreviated list from some of the various participants. ———.

Question. The overall operation was a tremendous success, but in retrospect could any of the specific operations have been implemented differently?

Answer. I am very pleased with the overall operation, as it validated our basic training premises and tactics, minimized casualties on both sides, and achieved the objectives laid down by the President. At this point, I shy away from Monday morning quarterbacking, as I believe it can be counterproductive. We are preparing a thorough after-action report that will detail lessons learned by all participants and levels of command. ———.

NICARAGUA

Question. If the Contras presently encamped in Honduras are to be assimilated into Nicaragua, do you anticipate that USSOUTHCOM assets would be used in carrying out the "mechanics" of that assimilation?

Answer. ———. There is no need for the use of any USSOUTHCOM assets to carry out the "mechanics" of any assimilation. This function should be carried out by the United Nations peacekeeping force. It is very strongly recommended that this force be significantly increased.

Question. What is your assessment of the level of military assistance that the Sandinistas have provided the FMLN in El Salvador in the past year?

Answer. ———.

Question. Assuming that Nicaragua is no longer a source of arms for the FMLN in El Salvador, what is your estimate as to the amount of arms the guerrillas may be able to acquire through other sources?

Answer. ———.

EL SALVADOR

Question. General Thurman, support for the El Salvador government and military is a major issue facing the Congress in the coming months. How many military advisors does the US have in El Salvador?

Answer. We have 55 trainers. They are not advisors.

Question. What is your current assessment of the military situation in El Salvador?

Answer. ———.

Question. What are your views as to the possibility of a military end to the conflict in El Salvador or do you feel that peace will only come when negotiations take place and are concluded successfully?

Answer. ———.

Question. What efforts have been made by the U.S. military to advise the El Salvadoran military on human rights?

Answer. U.S. military training over the past ten years has consistently emphasized human rights, in a formal institutional and person-to-person context. In training to the Salvadoran Public Security Forces, U.S. military personnel trained Salvadorans who now instruct their own personnel in human rights.

Our trainers are positive examples of respect for human rights in their daily contact with their Salvadoran counterparts. Furthermore, they are directed to be alert to human rights violations, stop if discovered, and report them to their U.S. Commander as soon as possible if they occur.

In addition to U.S. trainers emphasis, the security forces receive extensive classes by the Red Cross and Catholic Church.

PERU

Question. Guerrilla activity in Peru has become increasingly widespread. What is the current size of the "Shining Path" guerrilla forces?

Answer. ———.

Question. How well-equipped are they?

Answer. ———.

Question. Where are they getting their equipment from? From what sources are they receiving equipment or other assistance?

Answer. ———.

CINC INVOLVEMENT IN DRUG INTERDICTION

Question. The DOD guidance for implementation of the President's national drug control strategy directed the various CINCs to elevate substantially the mission priority of actions to fight illegal drugs. What actions have you taken to implement this directive?

Answer. All commanders are instructed to make counternarcotics their number one priority. USSOUTHCOM manpower, resources, and funds have been made available to meet the demands of the drug war. SOUTHCOM's strategic concept is to apply US resources and capabilities and attack the flow of illegal drugs while respecting the national sovereignty of our allies and promoting economic development.

SOUTHCOM's efforts are in three broad areas: Training of HN personnel, operational support, and intelligence support.

Training of HN personnel is evidenced in mobile training teams (MTT), and planning seminars. MTTs conducted include but are not limited to aircraft operational/maintenance and repair, riverine operations, special operations, weapons controllers, air intercept, and communications.

Operational support has been focused on supporting the interdiction of ground and airborne drug traffickers and improving the capability of host nation's military services and law enforcement agencies to conduct joint service as well as combined counternarcotics operations. ———.

Intelligence support for counterdrug operations focus in three areas: Support for the U.S. Country Team, intelligence training, and intelligence exchange with host nations. ———. USSOUTHCOM has and will continue to support each ambassador in accomplishing his country's own CN plan, and synchronize all counterdrug efforts within the AOR.

Question. FY 1991 Drug Interdiction and Counternarcotics appropriation includes \$120 million for initiatives of the CINCs. How much was allocated to USSOUTHCOM and for what purposes?

Answer. SOUTHCOM received \$45.7 million in FY 1991 to enhance its command, control, communications and intelligence (C3I) capabilities, radar and aerial surveillance systems and training exercises in the Andean region.

MAGNITUDE OF DRUG FLOW FROM LATIN AMERICA

Question. General, you have pointed out that the magnitude of the drug flow from Latin America involves: 1,300-3,500 flights annually; 3,000-5,000 ship voyages annually; 1,200 metric tons of cocaine; and that 750,000 campesinos produce the coca plant. Given the enormity of this flow what are the prospects for interdicting the flow of drugs enough to affect the supply in the U.S.?

Answer. The prospects for interdicting drugs from Latin America are good, despite the overwhelming magnitude. Continuous, aggressive application of U.S. Military resources will assist in the interdiction of drug trafficking. ———

Question. What is your assessment of the effectiveness of U.S. efforts to stop this flow of drugs?

Answer. ———.

Question. Are media reports accurate which state that the drug lords are shipping large amounts of cocaine to European ports and then transshipping that cocaine to circumvent the U.S./U.S. Southern border CN efforts?

Answer. Media reports of transshipment through European ports are accurate. However, the methods and routes of shipments are limited only by the imagination of the traffickers. ———.

Question. If these media reports are accurate, what can be done about the situation?

Answer. To prevent drugs from being transshipped through Europe, the United States should develop cooperative programs with European law enforcement and customs agencies. ———.

Question. Your presentation to the Committee cites many missions to be supported by SOUTHCOM in the drug interdiction effort. Does the FY 1991 budget provide the resources necessary to carry out your mission in the counter drug interdiction efforts?

Answer. The FY 1991 President's Budget fully supports US-SOUTHCOM's requirements as articulated prior to the January 1990 submission to Congress. As we implement the President's counternarcotics strategy, we are coming to a better understanding of the capabilities, programs and systems necessary to combat the production and trafficking of narcotics, and to provide operational support to the host countries. For example, as we define and quantify our intelligence collection requirements, we have identified the requirement for a medium range, long loiter SIGINT platform that we were unable to have considered during the budget process.

The scope of USSOUTHCOM's mission is increasing. Countering the narcotics trade, assisting countries in their struggle against insurgencies, and supporting the emergence of democratic institutions requires increased resources, such as we have in the FY 1991 Budget. USSOUTHCOM will continue to extract the maximum value from the smallest budget of the regional Commands.

SECURITY ASSISTANCE

Question. Do you think that the level of security assistance provide by the U.S. in the USSOUTHCOM region is an adequate amount?

Answer. Security assistance levels in the region are inadequate. U.S. assistance is the primary, if not the sole source of military equipment and training in many Latin America countries. In FY 90, only seven of the nineteen countries. In FY 90, only seven of the nineteen countries in the AOR received FMFP funding (compared to the assistance requested for 11 nations in the FY 90 CPD). In addition, funding was reduced in Honduras by 50%, Guatemala by 67%, and Ecuador by 100% from FY 89 levels. Without these resources, it is difficult, if not impossible, to accomplish our stated mission of assisting friendly countries to provide for their own security and thereby furthering U.S. national security objectives.

Additional funds are required throughout the AOR to sustain current efforts against insurgencies (El Salvador, Guatemala, and others) and to increase capabilities of host nations to combat narcotics production and trafficking.

Question. To what extent can the security assistance program be helpful in providing enhancement to the drug interdiction program?

Answer. Security assistance is the prime, if not the sole source, of military equipment and training for drug interdiction in Latin America. We must continue to build and support the militaries of all the Latin nations if we are to stay ahead of the traffickers as they move throughout the region.

Our current objective, is to provide the LATAM nations with the military capability to fight a successful drug war. To do this the host nation must be able to exert sovereign control over their territory. This applies not only in the Andean nations but, to all of Latin America. A strong, viable military (and police force) is vital

if we are to be successful. Each country must be able to secure its borders, territorial waters, and airspace from narco-traffickers. Security assistance is invaluable in these endeavors.

Attendant with U.S. equipment and training is exposure to U.S. values. This includes respect for human rights principles and civilian rule of the military. This institution building is also vital to the success of the drug war and is strongly supported by security assistance.

Question. To what extent do restrictions in existing legislation impede the use of security assistance to further U.S. national security objectives in the USSOUTHCOM region?

Answer. Current security assistance legislation limits what we can accomplish in the AOR.

Brooke amendment sanctions are particularly harmful in Latin America. Most countries in the AOR are poor, debt ridden nations. Imposition of the Brooke amendment, brings an "on again, off again" approach to our programs. Where we need to focus on accomplishing consistent programs to achieve long range strategy, Brooke, not only interrupts, but distracts us to focus on ways of gaining access to funds. Recognizing this, this section of the law was waived in FY 90 for the Andean nations and also Panama. This law also impacts other SOUTHCOM missions.

Section 660 of the FAA prohibits DOD from providing services or equipment to police forces. Effective police forces are vital to successfully combatting low intensity conflict threats such as insurgencies and narcotics trafficking. Recognizing this, Congress waived the application of section 660 for the Andean nations and Panama in FY90. This is a step in the right direction, but the DOD, through security assistance, should be able to provide articles and training to the police forces of any democratic government that does not engage in human rights violations.

The Glen/Symington amendment prohibits assistance to countries which do not agree to nuclear controls. The application of this amendment could have possible impact in Argentina and Brazil as the drug war expands.

The Humphrey/Kennedy amendment prohibits assistance to Chile. As the drug war expands and our relations with Chile improve, e.g. new democratically elected president takes office 11 March (Vice-President attending), Humphrey/Kennedy could hamper our progress.

Narco-traffickers and insurgents are not inhibited by regional and national borders. As our efforts in Colombia, Bolivia, and Peru are successful, the drug traffickers will move into surrounding countries, thus the war will have to be fought in countries such as Argentina (660, Brooke, Glen/Symington), Brazil (660, Glen/Symington), Chile (Humphrey/Kennedy), Venezuela (660), and others. Current legislation may hamper our counter narcotics efforts because funds are appropriated and allocated annually, by country. A provision for a regional allocation of funds would make our efforts more responsive to the threat.

CARIBBEAN BASIN RADAR NETWORK (CBRN)

Question. One of the key programs which will contribute toward the U.S. drug interdiction effort is CBRN. What is the status of this program? How many sites are presently functioning? How many more sites will be activated? Are any of the countries which are in the planned network refusing to allow deployment in their territory? What is the ability to track aircraft that will be attained through completion of this network?

Answer. CBRN is a series of radars encircling the Caribbean Basin to provide air surveillance information to the U.S., Caribbean, Central and South American countries. The program provides for eight new radar sites, netting of five existing radars into the system, and a Region Operations Center in Panama. The first new radar in the program is operational (Panama). The radar in the Dominican Republic is expected to be operational by the end of April 1990. The first of two Colombian radars is under construction and is expected to be operational in July 1990. Construction of the second site in Colombia and sites in Honduras and the Cayman Islands will begin this summer. Operational capability is expected in Spring-Summer 1991. Negotiations with Venezuela and Costa Rica are on-going. Existing radars in Key West, Puerto Rico (2), and Guantanamo are operational. Integration of the existing Honduran-owned radar is under negotiation.

Additional requirements to the program provide for a second CBRN radar site in Venezuela and integration of existing host nation radars in Venezuela and Colombia. Under the currently planned program, no country has turned down the offer for installation of a radar in its territory. CBRN will provide an increased ability to surveil Caribbean airspace with significant coverage of medium and high altitude traffic in the Caribbean region. Hence, the development of CBRN will provide host nations with the capability to counter drugs and arms trafficking.

Construction of the Southern Region Operations Center (SROC) facility at Howard AFB was completed in March 1988. Operational capability in a manual configuration began on April 1, 1988. Automation of the SROC is expected in June 1990 when installation of the Autotell Command Center equipment will be completed.

CINC INITIATIVE FUND

Question. In FY 1990 Congress appropriated \$50 million for a CINC initiative fund. These funds are in addition to those already requested in the budget and were to be available for high priority readiness and sustainability needs of the various CINCs. Have you requested any of these funds? If so, how much and for what purposes? If not, why not?

Answer. Yes, USSOUTHCOM has requested \$22.4 million to fund 22 low cost, high benefit projects. These projects will support exercises, contingencies, training, selected operations, command and control, and regional cooperation programs to enhance readiness/sustainment.

CINC INPUT TO THE DEFENSE BUDGET

Question. What is your evaluation of the process used by DoD to obtain input from the CINCs for the budget process?

Answer. As a CINC, I am very pleased with the process. Since the passage of Goldwater-Nichols, the CINCs' ability to influence the resource allocation process has meaningfully increased. CINCs now have multiple channels for voicing concerns and priority requirements to the Service Chiefs, the Chairman of the Joint Chiefs of Staff and the Secretary of Defense. My enhanced visibility in the Planning, Programming and Budgeting System has been very effective for translating warfighting needs into military capabilities.

Question. Has USSOUTHCOM received adequate priority in the FY 1991 Defense Budget?

Answer. Yes. USSOUTHCOM programs across the board were solidly supported; we incurred no significant reductions in a highly competitive budget environment.

Question. Has your budget request been reduced by DoD in the area of readiness or sustainability?

Answer. No USSOUTHCOM program was directly affected by budget adjustments, however, my component commanders expressed concern over recurring Operations and Maintenance reductions. The cumulative effects of these cuts, when applied proportionally across their accounts, have a debilitating impact on their readiness and sustainability.

SOUTHCOM'S AREA OF RESPONSIBILITY

Question. SOUTHCOM's area of responsibility does not include the Caribbean and Mexico. Those two areas are within the area covered by USLANTCOM. What is the impact of the absence of the Caribbean and Mexico from your AOR in the drug interdiction effort and your other regional responsibilities and duties?

Answer. SOUTHCOM's current responsibilities may be summarized as: Support security of North America and Southern approaches.

Support counterinsurgency operations.

Reverse Soviet, Cuban and Nicaraguan influence.

Defend the Panama Canal and protect U.S. lives and property.

Support U.S. counternarcotics efforts.

The greatest influence which the Caribbean nations exert on the above is the threat of Cuba in exploiting and supporting insurgencies, destabilizing Latin American governments, and potential disruption of SLOCs. Additionally, Caribbean nations as a whole have a minor impact on the success of U.S. counternarcotics efforts.

Though Mexico has great influence on the U.S. due to immigration, debt, oil supplier status, counternarcotics efforts and cross-border business interests, it has minimal impact on SOUTHCOM's responsibilities. Mexico's effect on SOUTHCOM's AOR stems from its position as a regional political power. Mexico's political influence over other Latin American nations, however, is limited by perception of Mexico having hegemonic interests.

As long as the influences cited above are taken into account for planning operations and activities, the overall impact on SOUTHCOM mission accomplishment is minimal.

U.S. INFRASTRUCTURE IN THE CANAL ZONE

Question. General, the U.S. is scheduled to pull out of Panama at a later date. Thus the issue of what level of funds should be expended on any infrastructure enhancements or new infrastructure initiatives is an issue you must contend with. What funds are in your budget for infrastructure improvements in the area of communications, housing or base improvements?

Answer. The only infrastructure improvements planned in my FY 1991 budget involves \$200,000 to fund a minor ramp expansion/refurbishment at Howard AFB. This improves our capacity for increased logistics support and increased number of aircraft involved in counternarcotics operations.

[CLERK'S NOTE.—End of questions submitted for the record.]



WEDNESDAY, FEBRUARY 28, 1990.

COMMANDER, UNITED STATES FORCES, KOREA

WITNESS

GENERAL LOUIS C. MENETREY, U.S. ARMY, COMMANDER, UNITED STATES FORCES, KOREA

INTRODUCTION

Mr. MURTHA. The Committee will come to order. This morning we are pleased to welcome General Louis C. Menetrey in his first appearance before the committee as Commander of U.S. Forces, Korea.

We want to express the appreciation of the committee for the hospitality we received when we were in Korea. Korea is one place we know the tensions have still not relaxed. My trip over there certainly gave me a better insight into what was going on and the situation there. It is hard to recognize back in this country that the Koreans have economic problems and that there is a real danger, at least a perceived danger, from the North Koreans. So I appreciated the opportunity to see the troops and the training that is going on there and the high state of morale, which, of course, is reflected by good leadership.

I just talked to Secretary Cheney and told him that you are here. He told me how much he appreciated his trip to Korea, and that it was very helpful to him.

We appreciate you coming before the committee. If you will summarize your statement, General, we will put your full statement in the record.

SUMMARY STATEMENT OF GENERAL MENETREY

General MENETREY. Thank you, Mr. Chairman.

Your visit to Korea was most welcome. Any time someone of your stature comes and visits with the soldiers, sailors, airmen and marines, it makes them feel that they are important and that what they are doing is appreciated, so it was most helpful to have you there.

I have a shortened version of the statement. Over the last year, we have all witnessed events throughout the world, events in many cases none of us would have imagined a year ago, but the fact is that many of the changes we are seeing are really the kind of results that the U.S. post-war strategy was designed to achieve.

And the scope and nature of the change in Europe have focused much attention on that region, yet it is time to also consider the state of U.S. interests elsewhere, and I am pleased to be here this morning to help do that.

IMPORTANCE OF NORTHEAST ASIA

In terms of global security and continued American prosperity, Northeast Asia continues to grow in importance. It is an area where the interests of the four major world powers—the U.S., Soviet Union, China and Japan—intersect.

U.S. military objectives in this region include assisting allied and friendly nations develop politically and economically, free from encroachment, coercion, or active military threat.

NORTH KOREA

The fundamental U.S. military objective in South Korea remains to deter North Korean aggression and if deterrence fails, to terminate the conflict on grounds favorable to the U.S. and our allies. Our ability to achieve our objectives is directly influenced by a number of factors, one of which is obviously the threat posed by North Korea's unrelenting hostility. North Korea remains one of a handful of countries that have been accurately described as heavily armed, poverty-stricken garrison states; furthermore, we see no evidence of glasnost or perestroika in North Korea, nor do we see any indication that North Korea intends to abandon its well-coordinated national effort to enlarge and modernize its armed forces.

In fact, attempts by both the United Nations Command and the Republic of Korea to promote tension reduction and confidence building measures on the peninsula have been uniformly rejected or ignored by the North.

These characteristics, combined with its first-generation revolutionary leadership, rigid ideology, and Orwellian control over its citizens makes North Korea unpredictable and highly dangerous.

The military balance on the peninsula continues to favor the North. A significant element affecting that balance is the level of Soviet assistance to the North, assistance which has continued in spite of the Soviets' newly declared security policies of "reasonable sufficiency" and "defensive defense", or their increased diplomatic and commercial ties with South Korea, which are ongoing.

Also, North Korea's relations with the People's Republic of China have recently grown closer, as each tries to resist the changes sweeping much of the rest of the communist world.

U.S.-KOREAN ALLIANCE

As you know, there is no multinational security arrangement in Northeast Asia, as there is in Europe. U.S. bilateral security guarantees—such as the U.S.-Korean Alliance, and forward deployed U.S. Forces—such as those on the Korean peninsula—are the glue which binds the region together, maintains stability and preserves the peace.

The U.S.-Korean Alliance also provides unique joint and combined training opportunities for both Korean and U.S. forces in the actual environment where they may be called upon to fight in an emergency.

U.S. forces in Korea represent the power of the U.S. military instrument and the willingness to use it if necessary. Our presence has deterred North Korea for 37 years. This has been a true peace dividend.

In addition to maintaining the Korean Armistice, our forces also comprise the only U.S. combat forces on the Asian mainland and the only Army ground combat forces west of Hawaii.

———. Our partners in maintaining peace on the Korean peninsula are, of course, the South Korean armed forces, well-trained, disciplined, and capably led, composed primarily of conscripts.

KOREAN DEFENSE SPENDING

South Korea's commitment to defense remains strong. Over the past two decades, the Republic of Korea has increased defense spending on a percentage basis significantly more than the U.S. or any of our allies. Their annual defense budget has traditionally averaged about one-third of their total government spending.

In its effort to attain military self-sufficiency, the Korean Government has devoted about a third of its defense budget for force improvements and modernization since 1984. Funding for the 1990-1995 Force Improvement Program is projected to be \$24.3 billion, a two-fold increase over the funding level for the previous program. ———. While the Republic of Korea has increased defense spending, so has the North. In effect, for the last 10 years or so, we have had an arms race on the Korean peninsula.

In terms of sharing the costs of defense, Korea provides more than \$2 billion in annual support of U.S. forces; of that amount, approximately \$300 million is direct contributions and \$1.2 billion is rent-free land.

While indirect contributions do represent a cost advantage for the U.S., we also recognize that the Republic of Korea can and should make significant increases in direct contributions. We expect to see substantially expanded direct cost sharing contributions, both in scope and amount, as a result of ongoing consultations.

SUMMARY

In conclusion, the Republic of Korea represents a resounding success for U.S. Postwar strategy and policy. Our military presence on the peninsula reinforces that success by maximizing deterrence against a dangerous and unpredictable adversary.

Stationing U.S. forces in Korea also represents, by far, the least costly method of maximizing U.S. influence in the region. Major adjustments to these forces should, I feel, be evolutionary, strategically and tactically sound, and follow, rather than anticipate, an enhancement of ROK military capabilities over the North, or a lessening of the threat.

Verifiable, mutual and balanced force reductions should be vigorously pursued within the framework, hopefully, of political dialogue between South and North Korea. Given the present political and military realities on the Korean peninsula, a unilateral withdrawal of U.S. forces poses grave risks of renewed conflict.

Thank you, Mr. Chairman.

[The statement of General Menetrey follows.]

Biography of
General Louis C. Menetrey

General Lou Menetrey was born in Hollywood, California on 19 August 1929. Upon completion of the Reserve Officers Training Corps curriculum and the educational course of study at the University of California, he was commissioned a second lieutenant and awarded a Bachelor of Arts degree in Political Science. He also holds a Master of Arts degree in International Relations from George Town University, and an honorary Doctor of Political Science degree from Kyung Hee University. His military education includes completion of the Infantry School, United States Army Command and General Staff College, and the National War College.

He has held a wide variety of important command and staff positions culminating in his current assignment as Commander in Chief, Combined Forces Command/United Nations Command, Commander, U.S. Forces Korea/ Commanding General, Eighth U.S. Army, Republic of Korea. Other key assignments held recently include Commanding General, 4th Infantry Division (Mechanized) and Fort Carson, Colorado; Commanding General, United States Army Training and Doctrine Command Combined Arms Test Activity, Fort Hood, Texas; Director of Requirements, Office of the Deputy Chief of Staff for Operations and Plans, Washington, DC; Commanding General, Combined Field Army (Republic of Korea/United States) and Commanding General, Fifth U.S. Army, Fort Sam Houston, Texas.

General Menetrey served in a variety of important career building assignments preparatory to his most recent duties. He was Operations Officer in the Office the Coordinator of Army Studies, later Chief, Study Processing Group, Office of the Coordinator of Army Studies, Office of the Assistant Vice Chief of Staff, United States Army, Washington, DC. Later he assumed duties as the Coordinator of Army Studies, Office of the Assistant Vice Chief of Staff, Washington, DC. At Fort Campbell, Kentucky, he served as Assistant Chief of Staff, G3 (Operations), 101st Airborne Division (Air Assault), and later commanded the 2d Brigade, 101st Airborne Division (Air Assault), Fort Campbell, Kentucky. He also commanded Headquarters Command, Fort Campbell, Kentucky, subsequently departing for Korea where he served as Assistant Division Commander, 2d Infantry Division, Eighth United States Army. He returned to Fort Leavenworth, Kansas where he became Assistant Deputy Commander, United States Army Combined Arms Training Development Activity, and later served as Deputy Commanding General, United States Army Combined Arms Training Development Activity.

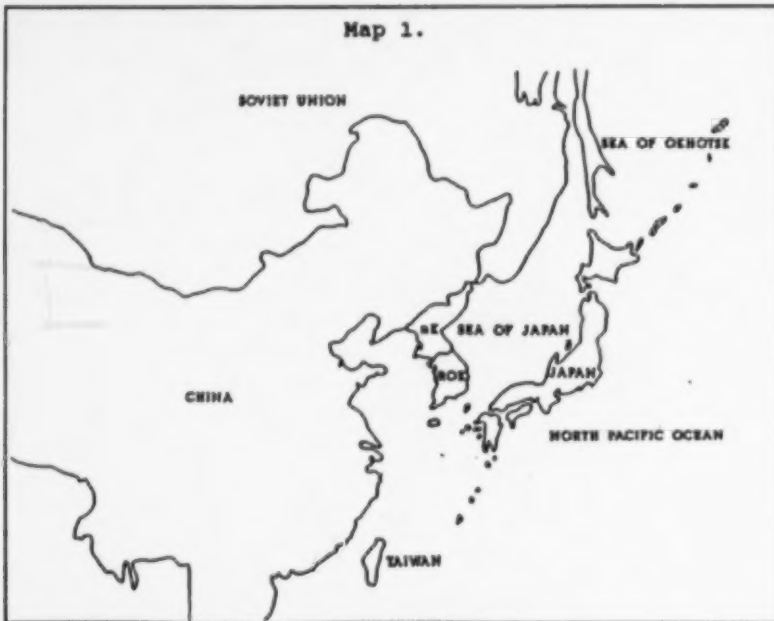
Awards and decorations which General Menetrey has received include the Distinguished Service Cross, Distinguished Service Medal, Silver Star (with Oak Leaf Cluster), Legion of Merit (with Oak Leaf Cluster), Distinguished Flying Cross (with Oak Leaf Cluster), Bronze Star Medal with V Device (with two Oak Leaf Clusters), Air Medals, Army Commendation Medal (with Oak Leaf Cluster), Combat Infantryman Badge, Senior Parachutist Badge, and the Army General Staff Identification Badge.

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

STATEMENT BY
GENERAL LOUIS C. MENETREY, USA
COMMANDER, U.S. FORCES, KOREA
BEFORE THE
SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
26 FEBRUARY 1990

I. INTRODUCTION

Mr. Chairman and distinguished members of the Defense Subcommittee: It is a pleasure to appear before you today to discuss the defense of US interests in the Pacific. Over the past year, we have witnessed changes occurring around the world on a scale few of us would have imagined. While the profound changes occurring in Europe have focused much of our attention on that part of the world, we must also consider the state of US interests elsewhere. Confronted with the political and military changes on the international landscape, as well as the realities of budgetary constraints, an examination of the US role in Northeast Asia, including the Republic of Korea (ROK), is most appropriate.



II. THE IMPORTANCE OF NORTHEAST ASIA (Map 1.)

- Northeast Asia is an area where the interests of the four major world powers intersect -- the US, USSR, PRC and Japan.

- The East Asia and Pacific region is of ever increasing importance to global stability and to continued American prosperity.

-- For years, trade in the region has greatly exceeded that with Europe.

-- The economic vitality of the US is linked to this region.

-- Together, the US and Japan account for 40 percent of the gross world product.

III. U.S. STRATEGY AND OBJECTIVES

- The US postwar grand strategy of containment was designed to check the advance of communism, reverse that advance whenever and wherever possible, and ultimately to foster conditions leading to fundamental alterations within the communist world that would transform it into a less threatening system.

- US national military strategy is built primarily around deterrence, alliance solidarity, and forward deployed forces.

-- Deterrence, to be effective across the spectrum of conflict, must be based on credible, combat-ready forces and an equally credible political will to employ them.

-- Alliance solidarity produces a synergistic effect which benefits all partners.

-- Forward deployed forces demonstrate resolve, foster regional stability and power balances, support friendly nations and provide quick reaction capability in emergencies.

- US security objectives in East Asia and the Pacific include assisting allied and friendly nations develop politically and economically, free from encroachment, coercion or active military threat.

- Our alliance with Japan is basic to the US position in the region. A primary US objective in the postwar era has been to maintain regional stability through strong bilateral ties.

- Since the 1970s, the US and PRC have engaged in strategic cooperation designed to counter the power of the USSR in Asia. The tragic events in China in 1989 do not negate the fact that US interests are best served by a relatively stable US-PRC-USSR relationship.

- There is no multinational security arrangement in the region as there is in Europe. US bilateral security guarantees and forward deployed forces are the glue which binds the region together, maintains stability, and preserves the peace.

Table 1.

THREAT IN KOREA

SEA	nK vs. ROKN/7th Fleet: Greatly Favorable To ROK/US.
AIR	nK vs. ROKAF/PACAF (-): Favorable To ROK/US.
GROUND	nK vs. ROKA/EUSA: Greatly Favorable To nK.

	<u>MANPOWER</u>	<u>TANKS</u>	<u>ARTY/MRL</u>
nK:ROKA/EUSA	1.5:1	2.2:1	2.5:1

- a. As little as one day warning of conflict.
- b. nK ground forces are forward deployed (attack positions).
- c. nK Arty/MRL density along DMZ is 2.5 times that of Warsaw Pact in Central Europe.

IV. THE THREAT (Table 1)

- The long-standing threat to US interests in Northeast Asia is North Korea's unrelenting hostility. It remains one of a handful of countries that have been accurately described as heavily armed, poverty-stricken, garrison states.

- These characteristics, combined with its first generation revolutionary leadership, rigid ideology, and Orwellian control over its citizens, make North Korea unpredictable and highly dangerous.

- Since 1970, North Korea has been engaged in a well-coordinated national effort to enlarge and modernize its armed forces.

- The military balance on the peninsula, based on known personnel strengths, equipment, and force deployments, continues to favor North Korea. This situation is expected to improve as the Republic of Korea continues to modernize its armed forces.

- A significant factor in the military balance is the level of Soviet assistance to the North -- assistance which has continued in spite of the Soviet's newly declared security policies of "reasonable sufficiency" and "defensive defense" -- and increased diplomatic and commercial interaction with South Korea.

- North Korea maintains a well-trained, highly-disciplined army, with numerical advantages over the ROK in most categories of combat power, including a 370,000-man advantage in personnel strength and superiority in tanks, artillery and multiple rocket launchers. (Table 1)

-- The North Korean Special Operations Force, more than 80,000 strong, engages in terrorism, subversion, and intelligence collection, and represents a serious threat to South Korea.

-- Major North Korean ground forces are deployed well-forward, supported by extensive underground facilities and storage sites near the Demilitarized Zone (DMZ). This posture masks the North's intentions and considerably reduces warning time of an attack against the South.

- The North Korean air force retains a numerical advantage over the ROK Air Force and has made qualitative improvements as well.

-- The acquisition from the Soviet Union of advanced combat aircraft (e.g., MiG-29, SU-25), modern radars, and newer air defense systems enhances North Korean air defense and intercept capabilities.

- The North Korean navy enjoys a substantial advantage over the ROK Navy, particularly in submarines and fast attack patrol boats, as well as in new infiltration and amphibious vessels.

- The North continues to utilize much of its industrial capacity to produce military items and will likely continue to do so.

- Military spending by the North has remained relatively steady, averaging between 20 and 25 percent of Gross National Product.

- North Korea's substantial military investment has come at the expense of balanced economic development.

- North Korea is clearly one of the most heavily armed nations in the world and, unlike the nations of Eastern Europe, shows no signs of lessening its commitment to the Kim Il Sung personality cult, its obsessive militarism, or its own brand of communism.

- Tension reduction and confidence building measures proposed by the United Nations Command and South Korea have been uniformly rejected by the North.

- North Korea's bleak economic outlook and South Korea's advantages in population and economic growth notwithstanding, the military threat posed by North Korea remains significant.

V. THE US-ROK SECURITY RELATIONSHIP

- It is to the benefit of the US to foster democratic principles and free market economies. The US-ROK alliance provides the security shield necessary to attain these goals in the Republic, given the threat from North Korea.

- The US-ROK military partnership provides unique joint and combined training opportunities for ROK, US Forces Korea (USFK) and many other US forces from off the peninsula -- in the actual environment where they would likely fight in an emergency.

Impact of US Forces Korea

Global Perspective:

- USFK represents the translation of the strategic concept of containment into reality on the Asian mainland and is thus an indispensable element in our security architecture. Specifically, USFK:

- Represents a component of US worldwide deterrence.
- Graphically demonstrates by its presence the US commitment to fulfill its collective security and treaty obligations.
- Epitomizes forward deployment of combat forces to protect the vital interests of the US.
- Represents commitment and continuity in an area of the world where meaningful reductions in East-West tensions have not yet occurred.
- Rather, North Korea and the PRC have recently grown closer as each resists the changes sweeping much of the rest of the communist world.
- The USSR has strengthened its security relationship with North Korea and has continued to supply modern weaponry.
- North Korea continues its arms buildup and shows little desire to reduce tensions or change its "Stalinist" system.

Table 2.

REGIONAL MILITARY STRENGTH*

	<u>JAPAN</u>	<u>OKINAWA</u>	<u>KOREA</u>	<u>TOTAL</u>
ARMY	1,589	847	31,841	34,277
NAVY/MARINES	17,145	23,480	459	41,084**
AIR FORCE	<u>8,198</u>	<u>7,984</u>	<u>11,419</u>	<u>27,601</u>
TOTALS	26,932	32,311	43,719	102,962

a. Represents 4.5 % of Army, 5.2 % of Navy/Marines and 4.8 % of Air Force.

b. Only land threat is on Korean peninsula.

c. Only Army combat forces west of Hawaii.

(*As of 31 Dec 89. **Does not include all of U.S. 7th Fleet.)

Regional Perspective:

- USFK, along with other US air, sea and land forces deployed in the region, is a key stabilizing factor in East Asia and the Pacific. A unilateral US withdrawal would create a vacuum that others would want, or would feel compelled, to fill. The regional balance of power would be upset, with global ramifications. Specifically, USFK:

-- Deters North Korean aggression, which if unchecked, would have repercussions throughout the region and the rest of the world.

-- Acts as the agent for the US/United Nations to enforce and maintain the Korean Armistice, thereby contributing directly to stability in the region.

-- Maximizes US influence in a region increasingly important economically, politically and militarily to the US.

-- Helps ensure the security of Japan, which, besides being of obvious benefit to the Japanese, reassures neighboring countries worried about any possibility of Japanese military dominance in the region.

- Comprises the only US combat force on the Asian mainland and the only Army ground combat force west of Hawaii.
- Provides forces available for deployment to other potential trouble spots far from the US mainland (or Hawaii).

Peninsula Perspective:

- USFK represents the power of the US military instrument and the willingness to use it if necessary. Our presence has deterred North Korea for 37 years and has created the conditions which have allowed the ROK to emerge as a democracy and an economically advanced nation. Specifically, USFK:

- Provides, particularly with ground forces, the single most effective deterrent to North Korean aggression.
- Contributes significant ground combat power, disproportionately larger than the 2d Infantry Division (2ID) numbers alone would indicate.
- Provides ground; air; naval; command, control and communications; indications and warning; and logistics assets and capabilities which the ROK military cannot replicate at present.
- Fosters conventional (and nuclear) stability in one of the world's potential flash points.
- Contributes directly to the steady maturing of the ROK military through combined operations and training, common doctrine, and interoperability.
- Complements ROK forces as they move toward parity with the North.

ROK Military Capabilities

- Since the end of the Korean War, South Korea, assisted by the US, has continually expanded its military capabilities.
- Today, the ROK military, composed primarily of conscripts, is a well-trained, disciplined, and capably-led force.
- South Korea has devoted approximately one-third of its defense budget for force improvements and modernization since 1984.

-- Projected ROK Force Improvement Program (FIP) funding for 1990-95 is \$24.3 billion, representing a twofold increase over the 1985-89 funding level.

-- The ROK decision to spend over \$4 billion to purchase F/A-18 aircraft under the Korean Fighter Program is an example of the FIP at work. This aircraft will significantly improve ROK Air Force capabilities and enhance deterrence on the peninsula.

- In 1990, ROK purchases of military equipment and supplies from the US and third countries are projected to reach \$1.45 billion and \$275 million, respectively.

Sharing The Costs Of Deterrence

- The ROK shares defense costs at least as much as other US allies.

- Over the past two decades, the ROK has increased defense expenditures significantly more than the US or any of our other allies.

-- On average, annual defense spending has traditionally represented one-third of the ROK national budget.

-- With military personnel costs only about a third of those for the US, a much larger portion of the ROK defense budget can be devoted to other categories, such as procurement of new equipment and other force modernization issues.

- South Korea devotes a significant portion of its population to defense.

-- With universal conscription (30 months) and a strong reserve program, the percentage of Koreans receiving military training is more than twice that of the US.

-- The ROK provides nearly 6,000 soldiers for duty in US Army units based in Korea under the Korean Augmentation to the US Army (KATUSA) program.

- ROK support of US forces in Korea amounts to \$300 million in direct contributions and over \$1.9 billion in indirect contributions, of which \$1.2 billion is rent-free land.

- In the future, the ROK is expected to increase direct cost sharing contributions, as well as expand the scope of cost sharing into a wider variety of areas.

- Stationing forces in Korea represents by far the least costly method of maximizing US influence in the region. The only way to save money would be to disband the forces and dispose of the equipment.

- A unilateral withdrawal of US forces in an attempt to save money runs the risk of being dangerously counterproductive, given the present political-military realities on the peninsula.

-- Such a move could well be interpreted by the North as a weakening of US commitment.

-- A unilateral withdrawal, with no change in US obligations under the Mutual Defense Treaty, would weaken deterrence and would ultimately cost far more in the event redeployment in a crisis was necessary.

-- Redeployment in a crisis, in time to make a difference, is by no means assured given the short warning time predicted by intelligence agencies.

VI. U.S. OPERATIONAL REQUIREMENTS

- Improvements in the broad areas of sustainability, force structure/modernization, and information management must continue.

- Sustainment of US forces in time of war is our major concern. Problem areas include:

-- Modern Munitions: Critical shortages exist in preferred munitions. These munitions provide the armor-piercing capabilities needed to counter the North Korean armor threat and air-to-air capabilities against the numerically superior North Korean air force.

--- The intensity of initial combat requires pre-positioned resources in country to sustain combat forces.

--- Reserve stocks in the Pacific theater do not satisfy our critical needs. A lengthy delivery time is required to receive materials from the continental US. In wartime, we cannot rely on the already overburdened strategic airlift to haul our munitions across the Pacific.

-- Pre-positioned War Reserve Stocks (PWRS): Inadequate stocks of major end items, repair parts, spare parts, and medical items persist.

--- Shortages in major end items of equipment are particularly acute for combat vehicles, howitzers, tactical radios, and night vision devices.

--- There is an urgent need for funds to construct additional covered storage areas for war reserves.

--- In-country petroleum, oil, and lubrication stocks, critical to the sustainment of allied forces in Korea, are partly stored in inadequate, vulnerable facilities. Delivery lead time and exposure to hostile action make dependence on offshore resources an Achilles heel for US forces.

-- Medical Support. Two critical areas are Deployed Medical Systems (DEPMEDS) and the Frozen Blood Facilities:

--- DEPMEDS is necessary to provide a field hospital system that can be readily relocated. It is also essential for treating patients who cannot be medically evacuated out of country.

--- Frozen Blood Facilities are vital to our forces in the Pacific. They ensure that sufficient blood products are available during the early stage of armed conflict and will allow the command to operate independently of outside sources.

- Force Structure/Modernization remains a problem as we attempt to maintain our warfighting capability while drawing down our forces to meet the Northeast Asia Troop Strength ceiling and other directives. Our primary concerns are:

-- 2d Infantry Division (2ID) Army of Excellence (AOE) Design.

--- Delivery of modern weapons systems is on track; however, the facilities needed to support them are lagging far behind.

--- Without facilities, AOE conversion must be implemented on a catch-as-catch-can basis, creating adverse affects on training, sustainability, readiness, and quality of life.

-- APACHE (AH-64) Helicopter Conversion. With its lethal antitank weaponry and all-weather, day and night capability, the APACHE is essential to the defense of the ROK.

--- A considerable portion of the construction for stationing the APACHE was accomplished by the ROK Army as a Combined Defense Improvement Program project.

--- The APACHE flight simulator facility is in the FY91 Military Construction Army (MCA) program. The simulator is vital because of airspace limitations and lack of ranges to accommodate the aircraft's weapons systems.

--- Funding for this \$1.5 million construction project must be protected in budget reviews. Without the simulator, pilots cannot maintain proficiency.

-- Unmanned Aerial Vehicle/Remotely Piloted Vehicle (UAV/RPV).

--- UAV/RPV will provide critical targeting capabilities, such as: penetration of enemy defenses, survey of the "reverse slopes" of the mountainous North Korean terrain, reconnaissance of target areas, and real-time reporting of battlefield information to commanders and fire support officers.

--- The requirement for such a capability is illustrated by the problem of locating and neutralizing North Korean hardened artillery sites (HARTS). These heavily fortified sites are vulnerable to attack only when the enemy's artillery is deployed for firing. UAV/RPV would be able to take advantage of this window.

- Information Management. Two areas of USFK concern are:

-- FY90 Automation Cap. The automation cap for FY90 has severely limited our automation capabilities, completely eliminated the purchase of new computer hardware, and forced the reduction of civilian personnel spaces.

--- The net effect will be to hamper our ability to provide timely information to the combat and combat support activities of this command.

--- If this limitation continues, the inefficiencies of old systems or the need to return to manual operations will undermine USFK's combat readiness posture.

-- Korea Digitalization and Reconfiguration. This initiative will increase the current fiber optics communications capability within Korea by providing digital communications in some areas and backup communication capability in others. The resulting improvements in command, control, and communications will enhance our warfighting capability.

VII. US-ROK ECONOMIC TIES

- The US-ROK economic/trade relationship is strong and growing stronger. Considerable progress has been made in addressing the trade deficit, as well as in resolving a number of difficult bilateral trade issues.
- In 1989, total trade between Korea and the US reached nearly \$40 billion.
- Korea's bilateral trade surplus with the US totalled about \$5.2 billion in 1989, 40 percent less than the \$8.7 billion surplus recorded in 1988 and 45 percent less than 1987.
- US exports to Korea increased about 24 percent to \$16 billion in 1989, following a 45 percent increase in 1988. Korean exports to the US actually declined slightly in 1989.
- In 1988 and 1989, some long-standing trade disputes were resolved. Last May saw the successful conclusion of "Super 301" negotiations. This agreement, when fully implemented, has the potential for providing significant benefits to US exporters and investors.
- US officials will closely monitor developments in Korea's protection of US intellectual property rights, work closely with Korean government official to ensure the full and timely implementation of the "Super 301" and other bilateral agreements, and generally encourage further liberalization by the Korean government.

VIII. CONCLUSIONS

- We are now seeing the basic changes in the international environment that our grand strategy was designed to foster. While we must be flexible enough to take advantage of these changes, it is far too early to "declare victory" on the Korean Peninsula and abandon the approach that has maintained the peace and served basic US interests for so long.
- US strategy and policy toward Northeast Asia and Korea has been consistent and successful for 37 years. The nations of the region are too well armed and are too diverse politically, economically, and culturally to expect continued peace and stability absent US leadership and security guarantees.
- The ROK represents a resounding success for US postwar strategy and policy. Our military presence reinforces that success by maximizing deterrence against a dangerous and unpredictable adversary.

- Reducing tensions and transitioning to a less threatening political environment in Northeast Asia will require artful statecraft, backed by credible military power. USFK, by providing such power, remains essential to peninsula and regional stability.

-- Major adjustments to USFK as presently structured and deployed should be evolutionary, strategically and tactically sound, and follow, rather than anticipate, an enhancement of ROK military capabilities or a lessening of the threat.

-- Unilateral cuts would ignore geopolitical realities, weaken deterrence, jeopardize alliance solidarity, lessen US influence, possibly lead to an intensified arms race, undercut democracy and stability in the ROK, and constitute false economies.

- Verifiable, mutual and balanced force reductions should be vigorously pursued via South-North political dialogue. Within this context, U.S. (and ROK) forces can be most safely reduced.

NORTH KOREAN THREAT

Mr. MURTHA. What is the threat today in Korea versus, say, a year ago? Is it still exactly the same, is it more or less? I know there are almost a million men forward deployed in Korea, isn't that an accurate figure?

General MENETREY. Our estimates, between a classified and unclassified version, but here we are cleared, ———. Most of that, of course, is in their army.

You asked about the change from a year ago. It is perhaps better to look at this over a longer term, because back in the 1970s the North started a force buildup and it has been slow and steady since, and continues as best we can tell.

Mr. MURTHA. Conscripts?

General MENETREY. In the North?

Mr. MURTHA. Yes.

General MENETREY. They are conscripts. Their period of conscription is five years so it is a country where about one out of every three people is in some way in the military, either active or reserve.

Mr. MURTHA. Well trained?

General MENETREY. They are well trained in part. ———. We figure, therefore—and we watch, of course, what they do—and the manner in which they maneuver and exercise, and I would say they are not nearly at the level of training of our pilots.

Their ground forces have an active program but they take a certain amount of time during the year to engage in civilian construction projects and harvesting. So their total training time is somewhat less than our ground forces. They do have an active program of live fire and other things. Their ground forces should be very well trained.

Their Navy is brown water Navy and does not venture into oceans.

Mr. MURTHA. How do they compare with the South Koreans?

General MENETREY. On the air side, the South Korean Air Force is almost as well trained as the U.S. Air Force—that is, highly trained, very capable.

One of the problems when you compare defense budgets is that it is very difficult to do so between nations, but if you look at the North and South, for example, the North devotes about half of their expenditures for defense to capital improvements—that is investment accounts, if you will. In the South it is about one third. Of course, ours is far less than that. But the point is that the equipment does not cost the North as much. They don't devote as much of their total expenditures to O&M or training.

They have an advantage. If you are an attacker, or you plan on being the attacker, then you can of course select the time and place. So their training problem is a little different, but they do in terms of expenditures, devote more of their total amount to capital improvements.

Mr. MURTHA. Would you say that the quality of the troops is as good in North Korea as in South Korea, the infantry troops?

General MENETREY. I think we have found over time, not only during the Korean War, but history tells us, that the individual Korean soldier is a tough adversary. He is accustomed to hardship.

He is determined. I would say that their individual soldier is just as capable as the individual soldier in the South. However, when you get to the upper echelons, they have a very highly regimented system in the North. It is really a reflection of their political system, and they can't very well change it without changing their political system. They have weaknesses in their higher level leadership—the rigid nature and I expect, if conflict does occur, to take advantage of that.

SOUTH KOREAN FORCES

Mr. MURTHA. Why is it that a country like South Korea that is so much larger, with an economy substantially larger than North Korea, get to the point where they have confidence in their troops? Everything I have heard is they have good quality, are well equipped, and have high morale. Why is it that they keep insisting that the U.S. has to be there? I realize the proximity of the capital and intelligence and support, but I am not sure I can understand why we have to have an infantry division over there.

General MENETREY. That deserves a very long answer, but I will try to make it short. ———.

Mr. MURTHA. What you are saying is basically that a division of 40,000 ground forces there, it is not their fire power or anything else, it is the idea that we have got American presence, that the South Koreans are not confident enough or that there may be a miscalculation by the North Koreans if we don't have a presence?

General MENETREY. I don't think that the South Koreans lack confidence, but if you took—there are ——— forces in Korea——

Mr. DICKS. How many?

General MENETREY. ———. You can't have two guys standing there, because that is not going to deter. You have to have an effective fighting force, one that would contribute to warfighting. So for that purpose, they are organized, trained and equipped to be complementary to the ROK forces and perform that function very well.

They also perform another function, sort of a demonstration function. In other words, they are an element that demonstrates to the Korean military how we do things and as a result, we are very complementary in our manner of doing things. We work together all the time. They also demonstrate U.S. equipment and that is part of the reason why 85 or 90 percent of the equipment bought overseas by the Koreans is bought from the U.S.

Mr. MURTHA. Mr. Dicks.

U.S. TROOPS IN KOREA

Mr. DICKS. ———?

General MENETREY. Support in one form or another, sir. That includes things like engineering, aviation, intelligence, all of the support plus true logistics type support designed not only to support the force that is there but to allow augmentation in the event of crisis.

Mr. DICKS. Mr. Cheney, was just there. As I recall he recommended a reduction of ———.

General MENETREY. Sir, there are two different reduction measures. One of them is the Air Force, where there is a closure of cer-

tain U.S. tenant units on ROK Air Force Bases, three of them, and that will be a reduction of somewhere between 1,700 and 1,900. We haven't figured out how many yet, because the residual function to be performed at those bases, we are still planning.

When Mr. Cheney was there he also talked about the Army and a potential drawdown for the Army. The figure he mentioned was around ——— over the next couple of years.

Mr. DICKS. What would that do to our capability there?

General MENETREY. ———. You asked the impact. That depends on what we work out with the Koreans in replacing the capability. It has an impact. I don't feel it would be a serious one in terms of our ability to deter, as long as we don't seriously draw down the division.

U.S. FORCES IN THE PACIFIC

Mr. DICKS. I agree with you on this. There are others on this committee who have a different perspective. I think that it is well worth it for the U.S. to preserve some force structure in the Pacific. In my judgment it provides a stabilizing influence in the entire region.

General, do you agree with that? Do you think that the continued U.S. presence in the Pacific, not just in Korea, but in the Pacific as a whole, helps stabilize that area?

General MENETREY. Absolutely, yes sir.

Mr. DICKS. When you look at it, we are talking about 120,000 troops overall in the region. We will come down slightly from that, which has to be done because of budgetary considerations. But it just seems to me that because of our worldwide objectives and because of our economic ties to Japan, that having some force there makes sense.

Yesterday we got into this notice of trip wires. I don't believe in trip wires. I would like to get your reaction to that. If we are going to have combat forces there, don't we have to have enough in order to be a viable fighting force rather than just a trip wire?

General MENETREY. You know, sir, if I have my choice I don't want to be engaged in anything called a trip wire. One, it is hard to explain to the individuals who are accomplishing that mission that they are there merely to be sacrificed.

It is also hard to organize around such a mission. You need a self-contained fighting force. We don't know what they are going to be called upon to do, and if they are not self-contained, not capable of protecting themselves and contributing to the solution to the conflict, then they become expendable, and it is not the same thing.

I do not believe in the trip wire concept at all, even though the force presence does provide the deterrence and you could say that in effect that is a trip wire in one sense of the word.

Mr. DICKS. It is a maximum trip wire rather than a de minimus trip wire?

General MENETREY. Yes sir. ———.

Mr. DICKS. ———. So the division out there and the support in Korea is really all the Army has in the Pacific.

General MENETREY. West of Hawaii, that is correct.

Mr. DICKS. To me that doesn't seem to be excessive when you look at it and you have 41,000 Navy and Marines, and 27,000 Air Force for a grand total of—102,962. That seems to me not to be a very large force.

General MENETREY. No sir. It represents four to five percent of our military forces.

NORTH KOREA, SOVIET UNION AND CHINA

Mr. DICKS. How do you view the North Koreans at this point in time? Are they less dangerous, more dangerous? What is their relationship with China and the Soviet Union, and is this still a real threat that we need to be concerned about?

General MENETREY. In my view it is, sir. I view them as unpredictable and dangerous. Are they going to remain that way? I don't know.

They are led by Kim Il-song, who has led them since he came in as a Soviet Army Major after World War II, and he signed the armistice for the North as the supreme leader. He is getting on in years. As he passes from the scene, things may change. You know a lot about that and I could go into it if you wish.

They are engaged in a steady force buildup and I see no sign that it that has stopped. They are frightened I think by the events in Eastern Europe and in the Soviet Union. They have withdrawn many of their students from overseas, have tightened their population controls ———. So they are obviously concerned and perhaps frightened by the events occurring in the rest of the world. They are trying to draw closer to China and to resist those changes in that part of the world. So right now they are dangerous and unpredictable, yes, sir.

Mr. DICKS. And your testimony is that simply having the Navy in the region and the Air Force, without a division just doesn't get the job done, is that correct?

General MENETREY. That is correct.

AIRLIFT AND SEALIFT CAPABILITY

Mr. DICKS. How do you feel currently about your sealift and airlift capability in case you had to get reinforcements there—how do you assess that?

General MENETREY. ———.

But particularly we depend—it is a long way from home, over 10,000 miles—on that sealift and airlift. Without it there is no real deterrence of war, not only in Korea, but anywhere that far from our shores.

C-17 AIRCRAFT

Mr. DICKS. One of the crucial issues Congress will be facing this year is modernization in that area, the C-17. Do you feel the C-17 is crucial?

General MENETREY. Yes sir, to include the fact that as our current fleet ages you have to have a replacement coming along. So airlift is critical. Sealift is necessary if you are going to sustain a major commitment somewhere, but airlift is necessary to quickly build up somewhere. So they are both required.

I view it as critical, yes sir.

Mr. DICKS. Thank you, and we appreciate the good job you are doing out there.

Mr. MURTHA. Mr. Livingston.

U.S. BASES IN THE PHILIPPINES

Mr. LIVINGSTON. I was proud to be a part of this committee's trip over there last summer. I enjoyed it. The quality of your troops was incredible, and I am very, very proud of the job we are doing over there. I was going to ask you about Kim Il-Song, too, but you pretty well covered it. They do pose a threat. I would ask you whether or not you feel, in follow-up to what Mr. Dicks asked, whether or not you feel that the potential loss of the bases in the Philippines would adversely impact our ability to follow through in the event that Kim Il-Song decided to take that move?

General MENETREY. Sir, it has an effect. How do you measure the effect? Of course the Air Force particularly units stationed at Clark, are part of the reinforcement package for Korea, so depending on where they were moved, it would have some kind of impact.

Another significant impact not commonly thought about, is the training opportunity available in the Philippines for the Air Force. Our instrumented ranges and our training capability there is almost unique in that part of the world. Subic Bay is important to the Navy in terms of their ability to maintain the fleet and fleet presence. So the losses of our access to the Philippines, the bases and training areas, et cetera, would have an impact throughout the region in our ability to generate forces. To calibrate exactly the impact on Korea or any other place, depends on where they are moved to, so I can't really judge that exactly. It would have an impact, sir.

Mr. LIVINGSTON. Are we becoming increasingly dependent on sea-lift as opposed to airlift?

General MENETREY. That far away, yes sir. Part of the problem is warning time. In Europe now, we are increasing our estimate of the available warning time dramatically, up in the months, depending on what estimate you get. ——. So when you generate, from a standing start, a reinforcement you have to start by air or you are not going to get anything there. ——. From the Korean perspective, if you are looking at an enemy that is 26 miles away from the capital, ——— is a long time. So we need the airlift particularly when great distances are involved. You can also look at areas that are even closer to the U.S. like Panama, where it came in handy.

PANAMA OPERATIONS

Mr. LIVINGSTON. It was very handy and we had an excellent maneuver there. Have we learned significant lessons about our operations in Panama, which might help us in other parts of the world in terms of developing capacity for effective and prompt airlift?

General MENETREY. Mostly I suspect we learned what we probably intuitively knew already. One lesson of course is that we were greatly aided by having U.S. Forces there already. The pre-positioning and if you will, forward deployment.

Two, the quality of the force and the ability to plan and execute such an operation with our current command and control and so on, was validated one more time.

The soldiers and the other Services also being able to generate something that quickly is really a remarkable accomplishment. Whatever you think of the objectives of the exercise, they did what they were told and they did it well.

Mr. LIVINGSTON. Ninety-five percent of the Panamanians describe it as a liberation rather than an invasion. I think that says it all.

General MENETREY. That is my view as well, but I am not trying to create a judgment on that. So I think it validated what we have been thinking and talking about for some time in concerning our ability to command and control joint operations, the quality of individuals concerned, and what a big difference it makes.

So I think we learned a lot of general things from that, but none of it should have been surprising.

COMMAND AND CONTROL

Mr. LIVINGSTON. I think our ultimate plans are to turn the primary command over to the Koreans eventually. Would you like to comment on their capability of assuming that command?

General MENETREY. ———.

Mr. LIVINGSTON. They don't?

General MENETREY. They do not.

Mr. LIVINGSTON. Why not?

General MENETREY. For a variety of reasons. One of them is the difficulty in the armistice. We don't have peace in Korea. It is only a military armistice. The United Nations Command Commander In Chief, another title I have, signed the armistice and he did that on the basis that he controlled all troops in the South, including Korean troops. That becomes sort of a difficult issue when you start turning responsibilities over to a Korean.

———. I think the U.S. head of the Combined Command is necessary in the current environment of the armistice. Once we start backing off from the armistice, getting some kind of alignment,

agreement, accommodation, between North and South, you can talk about that.

QUALITY OF KOREAN FORCES

Mr. LIVINGSTON. How is the quality of the ROK troops?

General MENETREY. High. It is not that they don't have problems, but over the years they have improved dramatically in their leadership. They have always been tough soldiers and we have roughly 6,000 Korean soldiers augmenting U.S. Army forces in Korea, so we have those soldiers right in our unit, so they are close at hand.

They are tough soldiers, well trained and capably led. They have some equipment problems, some command and control problems and problems in other areas, but I think they would make a real good account of themselves if they had to, and they surely are motivated and proud.

Mr. LIVINGSTON. This is a closed hearing so let me be specific. How about the quality of the top leadership, are they capable of assuming command when that difficulty comes down the pike?

General MENETREY. ———.

Mr. LIVINGSTON. From my readings and they are limited, and I wasn't there, but one of my understandings of our failings in the Vietnam War was our inability to develop a coherent organized cadre of leadership within the Vietnamese to assume the responsibility of the effort. Might we, if we run into a significant conflict in the near years, be looking at that same type of problem in Korea?

General MENETREY. Not the same type of problem. That is a good comment on Vietnam from my experience. But not in Korea. Koreans went to Vietnam. They had over 100,000 troops there, two divisions, and their leadership at the division level and below in Vietnam was exemplary. They demonstrated that over a period of time they can fight.

So we do not have that problem. You know, some years ago, about four or five years ago now, the last of the old leadership in Korea went away, the leadership that started to be formed back in the fifties, in terms of military academy graduates, is now permeating the whole hierarchy and that is why I say it is not an individual problem. They are strong individual leaders, they understand how to lead. They have the mental toughness to do that. Certainly they have that.

It is more or less a procedural problem and they are impacting that, so you would not have that problem in Korea, I don't believe.

Mr. LIVINGSTON. Thank you very much.

Mr. MURTHA. Mr. Wilson.

Mr. WILSON. General, how are you?

General MENETREY. Fine.

POPULATION AND ECONOMY OF KOREA

Mr. WILSON. General, I don't know whether you know or not, you wouldn't have any reason to, but I have been questioning somewhat severely our reason for being in Korea. What is the population ratio between North and South Korea?

General MENETREY. Roughly two to one in favor of the South.

Mr. WILSON. How about the GNP?

General MENETREY. That is hard to measure, because it is hard to measure the North's, but the South has five or six times the GNP of the North. But again, it is hard to measure.

Mr. WILSON. Not only has our presence in Korea been important to the Koreans but it has also been considered very important to the Japanese also, is that right?

General MENETREY. Yes sir. I have had discussions with the top Japanese leadership and they have impressed that on me.

Mr. WILSON. Why would countries as prosperous and with as much population as Japan and South Korea require American presence for their security?

General MENETREY. Sir, let me answer that if I can in this way. If the Republic of Korea, with its greater population and better economic base wished to outstrip the North in terms of armaments, they certainly could do so. They have been engaged in a force improvement program and have been increasing the resources devoted to defense, as I indicated, far more than any U.S. ally or the U.S. itself in percentage terms. But the North has also continued its efforts.

There has been an arms buildup and an arms race in the last ten years on the Korean Peninsula. But just take military strength, in 1981, the North Koreans had roughly 700,000 in their active force and in the Republic of Korea it was around 400,000. ———.

Now, the same can be said for ground equipment, air equipment, and the rest. There has been an arms race. Can the North sustain it? It is obviously a strain. They devote 20 to 25 percent of their GNP. In the South it is roughly five percent. This year, the South is spending more on defense than the North is in total amount. That is despite five percent of GNP versus 20 or 25 percent.

Mr. WILSON. Roughly is the South spending six percent of their GNP or ten percent?

General MENETREY. Roughly five percent I believe. Of course, they have an expanding GNP and that fluctuates every year. In the North it is much higher. But despite that, because of the economic differences, the total amount is more in the South. Nevertheless, this year the North is buying more equipment than the South because their equipment is cheaper and they devote more of their total spending to equipment.

It is hard to compare. Your basic question is why shouldn't we walk away from it, and if it is not in U.S. interests to be there, in my view, we shouldn't be there, so that is a calculation of U.S. interests.

In terms of deterrence, if you replace the 43,000 or so U.S. personnel with the equivalent number of Korean personnel would the deterrence be the same? The answer is no, the deterrent value of the U.S. forces is far greater than their numbers, because it indicates the commitment of the U.S. and that is the real deterrent.

So if you wanted to replace them with Korean forces, it would have to be more than 43,000 and more than the expenditure that is involved in those 43,000 even if it was the same equipment. So it is a difficult question to answer.

Economically, they could certainly do it if they wished. I have often wondered if it is in the U.S. interest to expand and escalate the arms race. It is dangerous—it is a powder keg and if we are not going to be involved when it blows up, fine, but if we are, then it is in our interest to create stability in that area as best we can.

DEFENSE BUDGET

Mr. WILSON. It is just that you and I both know, and I am proud of my representation as a high dollar man on defense, but we both know that no matter what we think about it, the political system in the U.S. is not going to hold defense budgets at the levels they have been. That means either we cover less ground or it means that we run our forces much thinner, with less training and readiness and quality and all of the other things that you and I think are extremely important.

General MENETREY. Yes sir.

Mr. WILSON. So to me, the only answer is to maintain the quality and the elan of our forces, but to cover less ground. It is hard any place we are, whether Turkey or Greece or NATO or anyplace that we are. We have to make some decisions. I personally remember well and appreciate the performance and the casualties of the White Horse and Tiger Divisions in Vietnam. I have a very positive feeling about the Koreans, perhaps a lot more positive than I am about the Japanese. It seems to me that the bases in the Philippines and our garrison in Japan are related to our forces in Japan. It would seem to me that one of the reasons for not closing the bases in the Philippines is that they might be needed to reinforce the Korean Peninsula. Is that right?

General MENETREY. Yes sir. The forces in the Philippines would be part of the augmentation on the Korean Peninsula.

FIGHTER AIRCRAFT FOR KOREA

Mr. WILSON. So it follows, and since it is far more in Japan's interest than in America's interest to have stability on the Korean Peninsula, it follows in my logic that they should assume a great deal of that responsibility. But then we get to a specific issue about which I feel somewhat viscerally, and that is in all this you cannot escape the fact that the U.S. is bearing a burden on the Korean Peninsula that benefits the Republic of Korea. And I find it extremely offensive that the Koreans won't buy a fighter plane from the U.S. We are going to deal with that a lot this year, and so when you go back, tell them they will save us all a lot of trouble, just buy the fighter plane.

And tell them if they want to co-produce one that they can be our guest and do the Tornado if they would like or a MIG, but just buy the plane. And the plane is not built in Texas. I don't have a provincial interest in it. It is just very offensive.

General MENETREY. Yes sir. I am not sure that all involved in the aircraft industry would agree.

Mr. WILSON. It is always the same. With General Dynamics they were anxious to make the deal with Japan but countries come and say we will either buy the F-18 or the F-16 and they make the companies bid based on co-production and based on taking jobs out

of the U.S. and based on technology transfer. They make the companies bid and then the one that gives them the most and has the least jobs in this country and the most technology gets the contract, and I would like to stop that.

I think if there is a place in the world where it is an absolute classic case of the U.S. just inviting somebody to pick our pocket, it is here. So I wish you would relate to the South Koreans that there are a few backward thinking, provincial cowboys that just don't like this deal, that are going to make trouble.

General MENETREY. All right, sir, I will tell them that.

Mr. WILSON. They could at least buy an airplane. We have an enormous imbalance of trade with them. We have 34,000 American boys there, there is nothing in it for us except our interest in their stability and their well being, and they could at least buy the airplane. And I think we are going to hear a lot more about that. I am glad the airplane is not built in Texas.

Mr. MURTHA. Mr. McDade.

Mr. MCDADE. Thank you, Mr. Chairman.

As always, my good friend from Texas asks good, thought provoking questions.

I thought your statement said they have agreed to buy the F-18. Is that wrong?

General MENETREY. ———. What that involves is about a \$4.2 billion deal and that breaks out to about 88 percent of the work would be done in the U.S. that would be done if it was totally produced here.

For the aircraft manufacturers in the U.S., they feel it is a good deal. There are offsets and other things involved which I know you are familiar with, but from my perspective, to encourage the Koreans to build up their own ability to defend themselves they need a modern fighter aircraft. ———.

Mr. MCDADE. Does it have a Lone Star on it?

General MENETREY. ———. So there is controversy about this. It is not the same as the Japanese deal, it is not an experimental aircraft. They are contributing to our sunk research and development costs.

I appreciate your view, sir, there are other ways of looking at it though.

Mr. MCDADE. I yield to the gentleman from Louisiana.

JAPAN VS. KOREA AIRCRAFT DEAL

Mr. LIVINGSTON. General, could you distinguish it from the Japanese deal?

General MENETREY. The Japanese deal is a development process. In other words, they are going to develop a modified aircraft in some way. ———. That has all been done. They will contribute to the sunk research and development costs. That is part of the deal, but no new research and development.

Mr. WILSON. Would the gentleman yield?

Mr. MCDADE. Of course.

Mr. WILSON. We discussed this with Admiral Hardisty yesterday and he made the point, which concerns a lot of us, but he made the

point not criticising the deal, but that one of the main reasons was that the Koreans wanted the technology transfer to develop their own aerospace industry, and to me, that is silly for us to do. It was silly for us to do it with Japan, but especially in Korea. Let them buy something from us.

KOREAN EQUIPMENT PURCHASED IN THE U.S.

Mr. McDADE. General, let me ask you a question. How much, if you were to look over the spectrum of the equipment that is over there, is bought from the U.S.? If you look at the inventory that keeps the Army, ours and theirs, we are talking about theirs now, in a ready status, how much of the equipment in their Army is bought in the U.S.?

General MENETREY. Of that which they don't produce themselves, that which they buy overseas, 85 or 95 percent is U.S. bought. This year we figure it is going to be \$1.5 billion that they are going to spend in the U.S. to buy military equipment.

Mr. McDADE. Is that a rather even number over the past five years, or do we have peaks and valleys?

General MENETREY. As you know, direct aid to Korea stopped sometime ago, and the only things they have now are FMS where they buy through that system, and direct commercial purchases. They don't like FMS as much as they like direct commercial sales. They are not alone, nobody likes it. So that proportion has changed.

The percentages of purchases from the U.S. remain constant. The amounts have varied over the years depending on their needs. We figure they are going up now, not down.

Mr. McDADE. So it stays about 85, 90 percent U.S. purchases?

General MENETREY. Yes.

THREAT IN THE KOREAN PENINSULA

Mr. McDADE. I want to go back, because both my colleague from Texas's incisive questioning and your very excellent statement lead me to ask just a couple of basic questions. I think you are making a very severe distinction between your area of command in Korea and the rest of the world where democracy is breaking out and June is busting out all over.

General MENETREY. It happens to be the area I am involved in right now. There are similarities and distinctions as well.

Mr. McDADE. I took your statement to say it was a much different atmosphere, you used the words powder keg.

General MENETREY. Yes sir.

Mr. McDADE. That is not Europe or Nicaragua.

General MENETREY. Right.

Mr. McDADE. You have a table in your statement that shows relative strengths and you show what you perceive to be a decided advantage to the North, yet my friend points out population, GNP, et cetera. What is the difference about where you are, what is happening in that part of the world in the North and South that makes it a powder keg?

General MENETREY. Roughly the answer is, nothing, and that is the problem. The hostility and the rather obvious buildup in the

North, their efforts—to maintain the ability, whether they have the intent or not, of course, we don't know, but to maintain the ability for military action remains rather obvious.

Mr. McDADE. No change in the totalitarian system, no change in the threat at all?

General MENETREY. No, except it has gotten greater. They have been engaged in a force buildup but so has the South.

Mr. McDADE. An arms race is taking place in Korea?

General MENETREY. In effect it has, not a dramatic one.

Mr. McDADE. I think of the phrase about history tending to repeat itself. If we were to take the troops out tomorrow or in six months, or until that condition abated substantially, without us we could find ourselves facing a potentially much more destabilized peninsula with a threat of war much greater than it is today?

General MENETREY. Yes sir, I would agree with that statement.

COST TO STATION TROOPS IN KOREA

Mr. McDADE. What does it cost the U.S. taxpayer to maintain your force structure in Korea on an annual basis now?

General MENETREY. \$2.4 billion, and that is so-called operating costs, that is all the costs involved by being in Korea. It doesn't include the investment costs, but all the O&M, the personnel accounts. The \$2.4 billion is the fiscal year 1989 figure.

TROOP REDUCTIONS

Mr. McDADE. You participate as a CINC, in the budget, do you not?

General MENETREY. Yes sir.

Mr. McDADE. You support the current five year plan that is put before the Congress as a goal by 1995 to reduce the Army of how many people?

General MENETREY. Sir, you can get various numbers. I spent Monday, most of the day, going over all this in the Pentagon. There is a planned reduction in the Army, exactly how much I don't think has been exactly determined yet, but it will be something over 100,000.

Mr. McDADE. It could be as much as 200,000 according to the testimony that I have heard here.

General MENETREY. Hopefully not. That is my own thought.

Mr. McDADE. We need to hear that from you because if we are able to hold and I hope we can hold this budget in what is a transitional year for the country. By 1995 under anybody's estimate we will have the smallest military we have had since Pearl Harbor.

General MENETREY. Based upon current plans, I think that is correct.

Mr. McDADE. There is no dispute about that under the current planning, I believe. I hear you saying loud and clear that as you go through that process and sit down with the Chiefs and the DRB, with your command you have a hot button up there for them and for this committee, saying when you are making those reductions, put that peninsula off to the right and recognize it as a much more different animal than is occurring any other place in the world. Is that a correct statement?

General MENETREY. Yes.

I am not saying that you shouldn't draw down the forces, that it remains inviolate. It has to share in our overall problems, budget or otherwise. I am just saying that you must be very prudent, because that is a dangerous place, unpredictable, and we could easily get drawn into a crisis or a conflict there.

We should do that in coordination with our allies and hopefully draw down as a result of some kind of change in either the political environment or the threat, some kind of combination, some kind of mutual balanced force reduction or where we don't face the danger that we now face, or at least can draw down commensurate with the threat.

Mr. McDADE. When Admiral Hardisty testified he made a statement that we need to avoid a trip wire situation where we draw down our forces so much that we end up with a trip wire, in effect sacrificing the people who are there, and not having the substance to back up our presence.

In other words, he was saying to us, don't let anybody talk us into a trip wire situation. If you are going to make it a policy of the country to be there, maintain sufficient forces to be able to cope with the threat.

Do you agree with that thinking?

General MENETREY. Sir, given a choice, I don't want to have anything to do with a trip wire. It is hard to explain to the people that are the "tripees", and it is hard to explain to the bad guys up North, because they know how far away the U.S. is and how long it takes for us to get there. Their calculations could be vastly changed if we had only a so-called trip wire.

I say that with the full knowledge that with 43,000 total personnel and 31,000 some being Army, right now it is in effect an economy of force mission. You may call that a trip wire, but they are at least an efficient, cohesive, independent fighting force that can be used ——— and can make an account of themselves whatever the mission they were given. ———.

Mr. McDADE. Do you have any feel for what that number might be?

General MENETREY. It depends on how they are constituted so the total number may vary depending on the organization. It would be very hard to give you that number because you might hold me to it later on.

Mr. McDADE. You don't get a chance to revise and extend like we do.

General MENETREY. I haven't thought about it that way. I would say the division is the lowest element of an army that is capable of independent operations.

You can have a division minus, a hybrid outfit, but you need to have that kind of organization there in order to be independent. ———. The Air Force is a totally different situation. They are organized around air bases, so you could go down to one air base and it is still a cohesive organization. You could decrease it by one third and still have it. I am not advocating that.

Mr. McDADE. I appreciate very much your personal, professional opinion about it, because we want to watch these situations as they develop and try to be sufficiently informed on this side of the table.

We need to hear from our people who are on the ground who understand the situation better than we do, and get their professional advice.

So thank you, Mr. Chairman, for your time, and thank you, General, for your time.

NON-COMMAND SPONSORED DEPENDENTS

Mr. MURTHA. Let me ask about dependents. While I was there we had a lot of non-command sponsored dependents. Is that a great problem and how do they get by if they are not command sponsored?

General MENETREY. Sometimes it is difficult. We have as many non-command sponsored as command sponsored.

Mr. MURTHA. Do they pay their own way over?

General MENETREY. Yes sir.

Mr. MURTHA. I guess they get a housing allowance?

General MENETREY. No sir.

Mr. MURTHA. Are they able to use the PX?

General MENETREY. Yes sir.

Mr. MURTHA. And the military facilities?

General MENETREY. Yes sir.

Mr. MURTHA. What is the difference then between command and non-command sponsored dependents?

General MENETREY. They get no government assistance directly if non-command sponsored—transportation, housing, et cetera. They are on their own. They are U.S. citizens, they can go wherever they want. We can't stop them from coming, I wouldn't want to be in the position of denying a U.S. citizen the right to go wherever he wants.

Mr. MURTHA. Is it a 13-month tour of duty now?

General MENETREY. Twelve months. We have one year and two year tours. The two year tours are those with command sponsored dependents. We have 93 percent short tour or without non-command sponsored dependents, if you will. That is the highest proportion in the world.

Mr. MURTHA. Do you have suggestions about anything we could do to handle that situation?

General MENETREY. I have wrestled with this for a long time. As a commander over there I am sort of torn. For example, I could restrict their access to the bases. I could make it harder on them coming over there, but by the same token, they are dependents, part of our military family, and I have a responsibility for them. I can't deny them medical aid, as an example. That would be not only inhumane, but I just couldn't do it. So I am torn.

You can make it harder and over the years we have studied this—I have. At times that has fluctuated. Sometimes we tried to make it harder and next time we loosened it. It doesn't seem to make a lot of difference, you get the same number over there.

It is a problem. As Korea grows economically, it becomes easier to live on the economy, if you will—outside the military installations—but at the same time, it gets more expensive, so that seems to be balancing out as well. We are keeping about the same number over time that we always have for the last ten years.

Mr. MURTHA. How would you get them out if something happens?

General MENETREY. We have a noncombatant evacuation plan and we practice it occasionally.

Mr. MURTHA. Command and non-command sponsored, you get them all out?

General MENETREY. We have a responsibility not only to get them out, both U.S. citizens and citizens of other countries as may be agreed to by the State Department. It is not a problem as long as we have—well, it is a problem, but we can handle it as long as there is an airlift coming in and they are deadheading going out empty, you can get them to the air bases and take them out that way.

Mr. MURTHA. Mr. Wilson.

NORTH KOREAN EQUIPMENT AND SUPPLIES

Mr. WILSON. Thank you, Mr. Chairman.

The South Koreans build all their own tanks, trucks, motorcycles. I guess they probably build the M-16 rifles.

General MENETREY. Yes, sir.

Mr. WILSON. What about the North Korean supply? Are they primarily supplied from the PRC or from the Soviet Union?

General MENETREY. ———.

Mr. WILSON. I didn't know that.

General MENETREY. Their arms industry is their best or greatest industry, and their primary way of getting hard currency is to sell arms and munitions. So they make their ground equipment. They build their own ships, including submarines.

They do not build some of the sophisticated aircraft. ———. They don't build some of the more sophisticated radars, which are provided by the Soviets and that kind of equipment, mostly air related equipment, that the Soviets have been providing.

But they have a very advanced, for that size country at least, advanced armaments industry in the North.

CHEMICAL MUNITIONS IN NORTH KOREA

Mr. WILSON. Do they have chemical warfare capabilities?

General MENETREY. ———.

Mr. WILSON. South Korea has a deterrent capability?

General MENETREY. No. ———.

Mr. WILSON. Is there evidence that the North Koreans have assisted some of the Middle Eastern countries such as Libya, Iran and Iraq in their chemical programs?

General MENETREY. Not any direct evidence that I know of, sir. They are involved in those countries but it hasn't, to my knowledge, anything to do with a chemical capability.

Mr. WILSON. Do they build any aircraft?

General MENETREY. They build a trainer and build a helicopter. They do not have a great aircraft industry up North. That is why they need the Soviet Union.

EQUIPMENT MADE IN KOREA

Mr. WILSON. Do the South Koreans build their own helicopters?

General MENETREY. Yes sir. They have been building for some years the MD 500, on a co-production agreement, and they have built the F-5. They did that with Northrop.

Sikorsky is there and they are starting production of another helicopter. So they are building their own helicopters in effect, yes sir.

But they are going to buy U.S. helicopters. ———.

Mr. WILSON. Do you think their indigenous tank is a match for the T-62?

General MENETREY. ———.

Mr. WILSON. I have seen them on parade one day. They look good.

General MENETREY. A good tank. I have driven it and fired it.

[CLERK'S NOTE.—Classified discussion removed.]

Mr. WILSON. Thank you, Mr. Chairman.

Mr. McDADE. I have no further questions, Mr. Chairman.

Mr. MURTHA. We will have a few questions for the record. Thank you very much, General. We appreciate all you are doing, your hard work.

The committee will adjourn until 1:30 this afternoon.

General MENETREY. Sir, it is a great pleasure to be here. I appreciate the opportunity and I wish you well in your important work.

[CLERK'S NOTE.—Questions submitted by Mr. Miller and the answers thereto follow:]

REPUBLIC OF KOREA GNP COMMITTED TO DEFENSE

Question. General Menetrey, what percentage of its GNP does South Korea devote to defense? Do you feel this is an adequate level of effort and how does this compare to other nations in Asia?

Answer. Since 1980, the Republic of Korea (ROK) has devoted an average of 5.2 percent of its Gross National Product (GNP) to defense. For 1990, defense spending is projected to be about 4.5 percent of their GNP, accounting for approximately one-third of their national budget and representing an increase of nearly 11 percent over the 1989 defense spending level. There are any number of ways to assess a nation's commitment to defense and the percentage of GNP devoted to defense is just one of them. The fact that South Korea commits nearly one-third of its national budget to defense, spends a third of its defense budget on force improvements designed to achieve military self-sufficiency, maintains a system of universal service, and has increased defense spending over the past decade at an average annual rate of 7 percent characterizes its commitment to defense. Furthermore, this has been a long-term commitment, maintained even during the many years when the Republic didn't enjoy its present level of prosperity. In fact, since 1971 the ROK has increased real defense spending by more than 350 percent, much more than the U.S. or any of our other allies.

It is difficult to make a meaningful comparison of South Korea's commitment to defense with those of other Asian nations. Each nation is different, often possessing unique economic, political, social, military, and geographic characteristics. Consequently, a

comparison of selected indicators can be very misleading. For example, if you were to compare percentages of GNP devoted to defense, the ROK far surpasses Japan. Yet, the Japanese Defense Budget is several times that of the ROK. An accurate assessment of the adequacy of any nation's commitment to defense can best be made by comparing its contributions with its ability to contribute. In this regard, the Republic of Korea is firmly committed to its own defense and continues to devote a substantial portion of its resources to maintaining stability on the Peninsula and assuming full responsibility for its defense. I am confident that as the Republic of Korea prospers, its commitment to defense will continue to grow.

Question. General Menetrey, in a hearing yesterday, Admiral Hardisty indicated that the majority of South Koreans support the continued presence of U.S. troops in their country and that anti-American protests are staged primarily by a relatively small group of students. Could you give us your comments—do you agree with Admiral Hardisty?

Answer. Yes, I am in agreement with the Admiral. Public opinion polls have consistently indicated that only a minority, totalling less than 10 percent, are in favor of an immediate withdrawal of U.S. Forces. The overwhelming majority favor the continued presence of U.S. Forces, either indefinitely or until such time as the security situation sufficiently improves to permit withdrawal of our forces without threatening stability of the Peninsula.

Anti-American protests are staged by a small minority of students who periodically exploit the anti-Americanism theme as a means of pushing their radical social objectives. According to figures provided by the Korea National Police, the number of campus rallies so far this year has increased by 25 percent over last year (from 184 to 230); however, the number of participants has fallen 40 percent (from 63,000 to 37,500). In addition, only 62 street demonstrations have been staged by collegians, as opposed to 235 by this time last year. The main group consistently taking advantage of the anti-American theme is "Chondaehyop" or national council of student representatives. It is estimated that the core members of this group comprise only one percent of the Korean college student population.

Question. General Menetrey, going beyond quantitative comparisons, how does the combat capability of South Korea's armed forces compare to the North's?

Answer. The Republic of Korea (ROK) military has grown impressively in the 1980's. Although still smaller than the North, it is growing in capability. ———.

Question. General Menetrey, in your prepared statement you state that South Korea shares defense costs at least as much as other U.S. allies. Can you give us some comparisons?

Answer. South Korea plays a vital role in deterring North Korean aggression and maintaining stability on the Korean peninsula and in Northeast Asia; conditions which serve the national interests of both the U.S. and South Korea. Like our other allies, the Republic of Korea (ROK) shares the defense costs attendant to serving our common interests. It does so in a variety of ways, ranging from maintaining universal conscription in order to support a

large active/reserve military force, to supporting high levels of defense spending for force improvements within its armed forces, to providing direct and indirect support to U.S. Forces based in Korea.

While there is no universally accepted formula for calculating a nation's fair share of collective defense costs, there are a number of ways to compare how well U.S. allies share these costs. One method used in the 1989 Department of Defense Report on allied contributions to the common defense is to compare a nation's contribution with its ability to contribute. By using selected indicators, the efforts of the Republic of Korea can be compared with those of NATO and Japan. The values provided compare a nation's contribution to its ability to contribute. A value above 1.0 indicates that a country is contributing more than its fair share, based upon its ability.

Defense spending/gross domestic product. South Korea (1.22) ranks third among all NATO countries and Japan. The U.S. (1.60) ranks first, with West Germany in ninth place. (0.75) and Japan (0.25) in seventeenth (last) place.

Active defense manpower/population. South Korea (1.35) is again in third place, with the U.S. (1.28) in fourth, West Germany (1.01) in ninth, and Japan (0.20) in last place.

Active and reserve manpower/population. South Korea (2.67) ranks second, with the U.S. (1.7) tenth, West Germany (1.29) fifth, and Japan (0.13) seventeenth.

Group forces (division equivalent firepower (Def))/gross domestic product. South Korea (8.85) ranks third, with the U.S. (1.02) eleventh, West Germany (1.12) tenth, and Japan (0.16) seventeenth.

Air force combat aircraft/gross domestic product. South Korea (4.11) ranks fourth, with the U.S. (1.16) ninth, West Germany (0.67) fourteenth, and Japan (0.18) sixteenth.

Naval vessel tonnage/gross domestic value. South Korea (1.35) ranks sixth, with the U.S. (1.56) fifth, West Germany (0.29) fourteenth, and Japan (0.21) sixteenth.

Question. General Menetrey, what information can you provide to the committee that demonstrates South Korea's efforts to move to military parity with the North?

Answer. The military developments occurring in South Korea which demonstrate its efforts to move toward military parity with the North are discussed below.

ROK Army (ROKA): In recent years, ROKA has moved toward mechanization and modernization, and has made significant progress toward self-reliance. It has made major strides in improving its mechanized and armor forces, self-propelled and towed artillery, aviation assets (lift and attack), intelligence and electronic warfare capabilities, antitank capability, and air defense forces.

ROK Air Force (ROKAF): The ROKAF is working toward military parity with North Korea using the dual track approach of quality and quantity. Acquisition of the low altitude navigation and targeting infrared night system (Lantirn) provides the existing F-16 fleet with a significant qualitative edge in combat operations conducted at night and in adverse weather. The ROKAF is upgrading several other weapons system to improve the capability, reliability, and survivability of current forces. The continued purchase of

C-130 aircraft will be a major step toward resolving their tactical airlift problems. The acquisition of additional F-16, F-4E, and RF-4C aircraft will result in a quantitative improvement for the ROKAF. Also, the decision by ROK Government to acquire 120 F/A-18 aircraft will provide the ROKAF with a state-of-the-art fighter, expanding its qualitative advantage over the North.

ROK Navy (ROKN): During the past ten years, the ROKN has been embarked on a force improvement program. Particular emphasis has been placed on anti-submarine warfare, mine countermeasures/harbor defense, amphibious warfare, fleet replenishment, antisurface warfare, maritime patrol, and coastal defense. Long-range plans include continuing indigenous shipbuilding programs (e.g., advanced destroyer, fast frigate, patrol corvette, mine hunter, missile patrol craft, submarines, amphibious ships, and fast combat stores ships), as well as replacement of rotary and fixed wing aircraft. The Lockheed P-3C is a contender as a replacement maritime patrol aircraft for their aging S-2E's.

ROK Marine Corps (ROKMC): The ROKMC is seeking to modernize its forces with special emphasis on increasing its amphibious assault capabilities. They plan to extend the service life of their older vehicles and purchase new assault vehicles before 1997. In addition, plans are being made to purchase more air-to-surface anti-tank weapons as part of their force improvement plan.

[CLERK'S NOTE.—End of questions submitted by Mr. Miller. Question submitted for the record and the answer thereto follows:]

CINC INITIATIVE FUND

Question. General Menetrey, in fiscal year 1990, Congress appropriated \$50 million for a CINC initiative fund. These funds are in addition to those already requested in the budget and were to be available for high priority readiness and sustainability needs of the various CINC's. Have you requested any of these funds? If so, how much and for what purposes? If not, why not?

Answer. A prioritized list of candidate projects for CINC initiative funding, totalling about \$4.2 million, was provided to USCINCPAC in January of this year. USCINCPAC submitted a prioritized list of PACOM requirements to the Joint Staff. This list included two projects proposed by U.S. Forces, Korea/Eighth U.S. Army. They were automated computer interfaces (\$150,000) and Korean Intelligence Support System/Korean Air Intelligence System/Theater Automated Command and Control Information Management System Interoperability (\$250,000). To date, neither project has been approved for CINC initiative funding.

[CLERK'S NOTE.—End of questions submitted for the record.]

THURSDAY, OCTOBER 5, 1989.

FISCAL YEAR 1990 DEFENSE POSTURE

WITNESS

HON. RICHARD B. CHENEY, SECRETARY, DEPARTMENT OF DEFENSE

INTRODUCTION

Mr. MURTHA. Mr. Secretary, we want to welcome you to the committee.

All of us who worked closely with you have a great admiration for you when you were a Member of the House. We have sometimes had disagreements, but we were always trying to move the country in the right direction. All of us admire you greatly. We know you have taken on a tremendous responsibility. Your predecessors left you with a lot of problems and we said over and over again to Secretary Weinberger, if we don't have the money, we are going to have a hard time funding these programs down the road.

Luckily, Mr. Gorbachev has more of a problem. In listening to Marshal Akhromeyev the other day, it was amazing to me that both of you were talking about peace breaking out and diplomatic conversations. It was a pleasure to hear that kind of conversation, knowing full well that both of you, as all of us here, understand it is one thing to talk about it, but what is really happening is the thing we have to live with and we are concerned about that.

We have given you some guidelines about what we would like you to talk about. We are going to have a motion to close the hearing today. We would like you to talk substantively about the issues that concern the Committee's mark-up. The first thing we would like you to talk about, if you would, is any additional information you might have on what happened in Panama. You don't need to go through the whole explanation because we have pretty well seen what happened there. If you would just tell us if you have additional information from what you have said in the newspapers then we will take it from there and get right down to the questions.

Secretary CHENEY. Okay.

Mr. MURTHA. Secretary Cheney please proceed.

SUMMARY STATEMENT OF SECRETARY CHENEY

Secretary CHENEY. Thank you very much, Mr. Chairman.

It is a pleasure to be back with my friends on the Defense Appropriations Subcommittee on this side of the table. I do have a prepared statement which I would like to submit for the record.

I will say a couple of brief words about Panama and be happy to respond to questions and I will get into a summary of what I think are the major points to be made in terms of our Defense Appropriations bill this year.

PANAMA

With respect to Panama, I think there are a couple of key points to keep in mind. There is the rumor that has floated around that at one point the rebels, the folk running the coup, offered us Noriega. That is not true. The only time we had contact with them we explored the possibility that they would turn Noriega over to us and they made it clear they would not do that. They wanted him to retire; they wouldn't turn anybody over to the United States.

The suggestion has been made that we should have intervened and used military force in some fashion. That is a difficult proposition.

After the fact, you can say, "Gee, this was a great opportunity for us to move." The bottom line was that there was a lot of conflicting evidence about whether or not they even had Noriega.

When we first heard of the possibility of a coup, we were dealing with an individual who had put down the last coup, who was a noted confidante of Noriega, who controlled the coup at media headquarters, a guy whose reputation was not of the highest order. There was doubt this was a legitimate coup. It didn't come off Monday morning and this may have been a setup, but at the time we were contacted, he said that he would not undertake the coup if Noriega were present. That was the word given on Sunday night.

During the course of developments on Tuesday morning, once the coup began, we got conflicting reports as to where Noriega was. There was one report that he had been in the compound and his presence was what triggered the original shooting, that he was being held a ways away from the compound. It wasn't until some hours into the event itself that we became fairly confident they had Noriega and shortly thereafter the coup collapsed anyway.

When you talk about using military force, are you going to go after the guys running the coup because they hold Noriega? That would put you in a difficult position of attacking the guys running the Noriega coup.

If we had directly intervened to protect the rebels and gone to war, if you will, with the rest of the PDF, as long as there was some doubt about whether or not Noriega was held by the rebels, there was a possibility that Noriega would be outside the compound with his troops, and the United States would be going to war, in effect, against the PDF without having what we really wanted, which would have been the ability to take Mr. Noriega, extradite him and prosecute him under the indictment.

SUMMARY

The bottom line is that the President is prepared, when he thinks it is in the national interest to use military force.

He did not believe we should be in a position where we are committing our troops, and taking casualties, at somebody else's whim and fancy, on the word of some major who may or may not be seeking to restore democracy to Panama, when there was doubt about the objective and how we might function.

I feel strongly that the decision made was the correct one.

It would be nice to have perfect knowledge and to be able to retrieve Mr. Noriega, but I think on balance, given the information

available to us and the circumstances at the time, that we proceeded in a prudent, reasonable fashion.

[The statement of Secretary Cheney follows:]

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS
DEFENSE SUBCOMMITTEE

**STATEMENT OF
THE SECRETARY OF DEFENSE**

RICHARD B. CHENEY

BEFORE THE

**HOUSE APPROPRIATIONS
DEFENSE SUBCOMMITTEE**

**IN CONNECTION WITH THE
THE DEPARTMENT OF DEFENSE BUDGET
FOR FY 1990**

October 5, 1989

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS
DEFENSE SUBCOMMITTEE



Richard B. Cheney Secretary of Defense

Richard B. Cheney was nominated by President Bush to be Secretary of Defense on March 13, 1989, was confirmed by the United States Senate on March 17, 1989, and took the oath of office on March 21, 1989.

Mr. Cheney was born January 30, 1941, in Lincoln, Nebraska, and moved to Casper, Wyoming, at a young age with his parents, Richard H. and Marjorie Cheney.

He attended elementary schools in Casper, graduated in 1959 from Natrona County High School, and earned B.A. and M.A. degrees in political science from the University of Wyoming in 1965 and 1966. He was a Ph.D. candidate in political science at the University of Wisconsin in 1968.

Mr. Cheney began his public service in 1965, when he served as an intern in the Wyoming State Legislature in Cheyenne. In 1966 he was selected by the National Center for Education in Politics to intern on the staff of Warren Knowles, then Governor of Wisconsin. In 1968, the American Political Science Association selected him for its Joseph E. Davies Congressional Fellowship, which he served as an assistant to the late Congressman William A. Steiger, R-Wisconsin.

In May 1969, following the fellowship, Mr. Cheney began several years of federal service under Presidents Nixon and Ford. From May 1969 to December 1970, he was Special Assistant to the Director of the Office of Economic Opportunity. From December 1970 to September 1971, he served as Deputy to Donald Rumsfeld, the White House Presidential Counsellor. And from September 1971 to March 1973, he was Assistant Director for Operations of the Cost of Living Council.

In March 1973, Mr. Cheney left government service to become Vice President of Bradley, Woods and Company, Inc., an investment advisory firm.

In August 1974, when Gerald R. Ford assumed the presidency, Mr. Cheney served on the Ford transition team and, beginning in September, as a Deputy Assistant to the President. In November 1975, he was named Assistant to the President and White House Chief of Staff, a position he held through the remainder of the Ford Administration, until January 1977. In 1976, Mr. Cheney was named by the U.S. Jaycees as one of the ten outstanding young men in America.

He returned to his home state of Wyoming in May 1977 to resume private life. Mr. Cheney was elected to Congress in November 1978. He was re-elected in 1980, 1982, 1984, 1986, and 1988.

For the 1981-82 Congress, he was chosen by his Republican colleagues to serve as Chairman of the House Republican Policy Committee, becoming one of the few members ever elected to a leadership position after only one term in office. He was re-elected to the Policy Committee Chairmanship for the 98th, 99th, and 100th Congresses.

In June 1987, he was unanimously elected Chairman of the House Republican Conference, which functions as the party's caucus and provides the information to its members on pending legislation. The Conference Chairman is the third-ranking House GOP leader.

In December, 1988, he was unanimously elected House Republican Whip for the 101st Congress, the second-ranking Republican leadership position. The whip is responsible for polling Republican members on pending legislation, keeping them informed of the agenda on the House floor, and acting as Republican leader whenever the House Republican leader is absent.

Mr. Cheney was a member of the House Committee on Interior and Insular Affairs, where he served on two subcommittees -- National Parks and Public Land, and Water and Power Resources. He was also a member of the House Permanent Select Committee on Intelligence, serving as ranking Republican on its Subcommittee on Program and Budget Authorization. He was ranking Republican on the 15-member House Select Committee to Investigate Covert Arms Deals with Iran.

Mr. Cheney married Lynne Vincent of Casper on August 29, 1964. They have two daughters--Elizabeth and Mary.



Mr. Chairman, Members of the Committee:

Introduction

I appreciate the opportunity to come before this Subcommittee to discuss the Administration's position on the FY 1990 Defense Appropriation Bill and to discuss the DoD implementation of the President's national drug control strategy.

This year is a good example of what can happen despite our best intentions and bipartisan efforts.

On April 14, in response to the need to reduce the deficit, the President and the Congressional leadership reached a bipartisan agreement on a framework for the FY 1990 budget. The primary goal of the budget agreement was to smooth the way for the FY 1990 appropriations bills and avoid a sequestration order under the Gramm-Rudman-Hollings law. I don't need to remind this Subcommittee that we are currently operating under a Continuing Resolution and we most likely will face a final sequestration order on October 16--with grave consequences for our defense.

In accommodating the necessary adjustments to meet the bipartisan agreement, we did not exclude any program from consideration. Neither did we forget the primary purpose of the process which is to plan, program, and budget for the military forces and capability necessary to ensure our security. Declining defense budgets mean that we have made hard choices between competing weapons systems and programs. I heeded counsel from Congress and made the tough, but necessary, choices to actually eliminate weapons systems that just were not of high enough priority, given limited resources.

Having made these tough choices, I was distressed that the House restored many of the programs proposed for termination and shuffled the defense priorities we set. Moreover, the House proposed \$1 billion less than the defense level all sides agreed to in the budget summit. While I understand the requirement to meet the outlay target, I am opposed to a solution which guts our defense priorities and fails to honor the budget authority target set in the agreement. As you prepare to conference with the Senate, I urge you to support the agreed-upon budget authority level, which was reaffirmed in the concurrent Budget Resolution passed by both Houses, and support the President's defense program.

Strategic Modernization

Virtually all of the Soviet Union's new moves have had to do with conventional forces, or with short-to-intermediate range nuclear weapons. Even with the new Soviet statements, the Soviet Bloc's ability to wage war in Europe has not diminished

substantially. In fact, in certain aspects, it has been strengthened. In addition, the Soviet Union has made major improvements in every leg of its strategic arsenal. In systems ranging from intercontinental missiles and bombers to submarines and strategic defense, the Soviet Union is getting stronger. If we are to maintain the strategic deterrence that has kept us safe for four decades, we simply cannot let the Soviet modernization program go unanswered. We must continue to modernize our strategic forces.

The President and I want to pursue SDI research because we continue to believe that a successful SDI program would be immensely valuable.

Just a few days ago, I visited the Lawrence Livermore National Laboratory and spent a fair amount of time with the scientists working on the "Brilliant Pebbles" approach to SDI. I want to be cautious, but "Brilliant Pebbles" looks like a winner--our investment is paying off. In the appropriations conference, the high water mark is the Senate appropriation level of \$4.5 billion (including DoE) which would offer minimal increases to our ongoing effort. I am deeply concerned with the House proposal to slash \$1.8 billion and reallocate these funds to other programs. The House position is particularly troublesome because it would cause cancellation or delay of experiments crucial to demonstrating the feasibility of defense against ballistic missiles. Several technologies key to the SDI are now in the demonstration phase, and the reductions proposed by the House would be extremely disruptive and ultimately increase costs of determining the feasibility of strategic defenses.

Turning to the manned bomber leg of the triad of strategic offense, the B-2 bomber is an essential element of our strategic deterrent and by far the most flexible in the strategic arsenal. We need the B-2 to continue to have a bomber leg of the triad that is effective against rapidly improving Soviet air defenses. The major deterrent value of bombers is that they can go after the most important and most difficult strategic targets. The House basically decimated this program. Ironically, given the debate about the plane's cost, the House's proposed stretchout by deferral of an aircraft and a reduction of \$500 million will only result in higher costs for the overall program and increased unit costs. If this proposal is sustained in conference, the reductions will certainly cause the current \$70.2 billion total cost estimate to increase significantly. The House position does not save money--it costs money.

To sustain the triad's strength, I urge the conference committee to fund the Trident D-5 missile program. The \$1.8 billion reduction proposed by the Senate, would delay D-5 production significantly, escalate costs, and reduce the number of ballistic missiles at sea through the year 2000. Newly constructed Trident submarines would have to sail with partial

missile loads. The Navy has identified the cause of recent flight-test failures and is confident that it can be corrected without a major redesign of the missile.

At this juncture in our relationship with the Soviets, it is vital that we keep missile mobility options in the strategic triad. We have already built and deployed the Peacekeeper missile. We should make it mobile quickly and concurrently bring along the small ICBM to maximize our deterrent posture. The action in the House to kill both missiles is a serious mistake, rejects plans to rectify U.S. ICBM vulnerability, and seriously undermines our strategic deterrence plans and U.S. arms control strategy. Deferring Rail Garrison would leave little hope of ever obtaining survivable MX/Peacekeeper missile basing. Canceling the Small ICBM program would terminate the effort to reestablish survivable, flexible, and enduring land-based ICBM forces. Further, this action would remove an incentive for the Soviets to negotiate START numerical limits and verification procedures for road mobile missiles, which will assuredly be the core of future Soviet forces. Mr. Chairman, when this important program is debated in conference, I urge the House members to join with the Senate in funding both missiles.

Program Terminations

In times of budgetary restraint we simply cannot fund every weapon system, particularly those of relatively low priority. Moreover, to reform our acquisition practices, I need the support of Congress. I am deeply concerned by the large number of program changes made by the House and the devastating effect these changes have on the defense priorities we have set. In particular, the House restored programs that we cannot afford including the V-22, Army Helicopter Improvement Program (AHIP), F-14D, EA-6B, and F-15E aircraft programs, and the Phoenix missile program. The decisions to terminate these programs considered long-term costs relative to mission accomplishments and sought to avoid funding weapon systems at inefficient rates of production and delaying the introduction of newer, more survivable and capable weapons. The House actions to restore these programs will disrupt the effective execution of our entire defense program, and increase its long-term cost. In short, the House would force us to buy things we cannot afford in the long-term, at the expense of higher priority programs essential to the national defense.

The V-22 Osprey program highlights the problems created by restoring funding for these programs. Our decision to terminate the V-22 program was based on a careful consideration of the need for amphibious surface lift capability, which also requires substantive funding, and the availability of helicopters in production that provide a considerable increase in capability over our current aircraft at much less cost than the V-22.

Within current constrained resources, the program we have proposed is the proper amount we should spend to upgrade our capabilities in this limited mission area. Delays in V-22 development and test flight efforts have increased the technical risk of production in FY 1991. If the V-22 program is restored, over \$7.5 billion will have to be added back to the FY 1990-1994 budget plan at the expense of higher priority programs. We simply cannot afford the outyear bill. I firmly support private sector efforts to continue to develop the technology for very promising commercial applications--but we cannot afford a military program in the current budget environment. We need other things more than we need the V-22.

Other Program Reductions

The FY 1990 defense appropriation bill as passed by the House seeks to terminate the MILSTAR program after three satellites. MILSTAR is DoD's highest priority communications system and a critical part of the President's strategic modernization initiative. Termination now, or after three satellites, would severely impact strategic and tactical communications capabilities well into the future. A three satellite constellation provides only a very limited EHF capability, that would have serious coverage and capacity problems. For example, we would have to continue to rely on potentially vulnerable UHF communications in the polar areas. Under the House proposal, DoD will spend approximately 60 percent of the total acquisition cost, for a program that will support only 30 percent of the requirements. A delay in the terminal program will require renegotiation of contracts, resulting in increased cost and a delay in receipt of production terminals to support the first launch. No satellite communication system today, or any envisioned for the near future, offers the survivability or capability of MILSTAR. Mr. Chairman, I strongly urge the House to support the Administration's MILSTAR program when it comes up in conference.

The House deleted funding in FY 1990 for the current Advanced Tactical Fighter (ATF), based on concerns over the acquisition strategy, costs, and technical risks. The ATF is the highest priority tactical development in the Air Force. The ongoing Demonstration/Validation phase is specifically designed to address and resolve the types of issues raised by the House. It will minimize risk prior to entering full-scale development, mature technologies, refine requirements and goals, and define full-scale development/production phases of the program. FY 1990 is the culmination and execution of this phase. Therefore, fully funding the ATF is the logical and most cost effective approach.

The House limited production of SSN-21 attack submarines to two ships per year until adequate testing has been completed,

and adds one SSN-688 ship. We believe the SSN-21 will be far more effective than the improved SSN-688 to counter Soviet deployment of new, more capable, and quieter SSNs. Limiting production of the SSN-21 will exacerbate the problem of maintaining the required attack submarine force level beyond the mid 1990s due to the block obsolescence of SSN-637 class submarines that will begin in that timeframe. There is no alternative to the SSN-21 that will achieve the major improvements needed in submarine warfighting capability.

The House rejected planned multiyear procurement of the F/A-18 and E-2C aircraft, SH-60B/F helicopters, and the Maverick missile. Denial of the multiyear contracting strategy will increase unit costs significantly and increase the possibility of production stretchouts or terminations for other programs. For example, the savings projected for the F/A-18 multiyear procurement proposal alone could save in excess of \$350 million. Given continuing constrained resources, the Department must explore every savings opportunity. I am concerned that the House position denies that opportunity for multiyear efforts.

Additional savings could be achieved by conference support for DoD's international cooperative programs. Each of these programs merits full approval both for its security contributions and for the economy it makes possible. Moreover, these programs collectively represent our commitment to the efficient use of NATO resources.

Additions to Lower Priority Programs

I share the concerns of the House regarding both the inadequacy of national sealift assets and the continuing degradation of the Merchant Marine. That is why the Department has strongly supported the efforts of the National Security Council to develop and implement a comprehensive, cohesive national strategy for addressing this problem area. At this juncture, however, the \$1 billion program recommended by the House and Senate simply throws money at the problem. I recommend that a sealift initiative be a part of the development of an overall Administration implementation strategy which we are laboring to develop.

I am also opposed to other adds, particularly to those for nondefense programs. Such funding violates the budget summit agreement and would come at the expense of DoD programs that make a greater contribution to national security. The plethora of options considered by the House and Senate to transfer over \$2 billion collectively to domestic functions is simply the wrong way to handle these issues. This is even more alarming because the practice is increasing. Since 1985, the amounts appropriated to DoD have included \$2.7 billion for transfer to nondefense activities. This back door financing of nondefense

programs is at the expense of valid DoD programs and distorts the allocation of resources to national defense.

Other Programs

An exception to this policy should be considered if, and only if, such transfers add to our national security. During Senate floor action on the defense appropriations bill, an amendment was adopted to permit transfer of up to \$20 million to Jordan to carry out the provisions of the Arms Export Control Act for the maintenance of defense articles of U.S. origin. This initiative is of particular importance to the President and I ask that you support this provision in conference.

I support the House position on base closures. The base closing plan, which the Congress endorsed by statute, offers a unique opportunity to end an unnecessary drain of defense resources. I appreciate this Subcommittee's endorsement of that cost saving effort.

I also support the House position on chemical demilitarization. The Senate's lower funding level would delay equipment acquisition for the Tooele Disposal Facility and prevent completion of the demilitarization program before the 1997 congressional deadline. I do not support the technologically questionable cryofracture option for demilitarization. At the request of Congress, we conducted a thorough technical review of cryofracture which demonstrated that the technology is inadequate to meet the needs. I urge the conferees to resist further funding for this limited, inefficient cost effort.

Personnel

I want to take a moment to reaffirm our commitment to people and associated personnel programs. We place highest emphasis on preserving the ability to recruit, train, support, and retain quality people and to maintain the level of operating tempo we need to ensure readiness of our military forces. I am heartened that the Congress supported the 3.6 percent pay raise for military and civilian personnel, recruiting and retention incentives, realistic housing allowances and other quality-of-life improvements. I ask your continued support for these most important personnel programs.

National Drug Control Strategy

Finally, I would like to review the Department's role in the Administration's fight against illegal drugs. On September 5, 1989, the President issued his National Drug Control Strategy, which provides for an integrated program of counternarcotics actions designed to move the country substantially closer to the goal of a drug-free America.

The detection and countering of the production, trafficking and use of illegal drugs is a high priority national security mission. I have directed key Commanders-in Chief of the Unified and Specified commands to submit plans by October 15 for carrying out that mission. I have also asked the civilian and military leaders of the Department to identify how better to support the President's national drug control strategy. The Department will work on the drug program at every phase--at the source, in the delivery pipeline, and by further supporting federal, state and local law enforcement agencies.

The Department will help U.S. law enforcement agencies and the National Guard with their training and logistics as well as provide training and operational support for host country forces and assistance to law enforcement agencies in countries where the drugs originate. We will also deploy forces to help intercept the delivery of drugs on their way to the United States and at U.S. borders and ports of entry.

The Department of Defense is an enthusiastic participant in the Nation's drug control effort. We have significant resources at our disposal and we can make a substantial contribution to our national effort if we use our assets intelligently and efficiently. In that regard, I urge your support of the President's amendment.

Conclusion

I appreciate the unique opportunity to testify before this Subcommittee in a budget wrapup session prior to the convening of the appropriations conference. I urge the House-Senate conferees to affirm the President's priorities.

PANAMA

Mr. MURTHA. Mr. Secretary, I know you have been calling advice after the fact, Monday morning quarterbacking——

Secretary CHENEY. I don't think I ever said that.

Mr. MURTHA. I guess the Secretary of State said that.

The point is, for those who support you and the President in these kinds of events, I think if we don't know about it while it is going on, it is pretty hard for us to give advice until it is over.

I think in here you have some of your strongest supporters and closest friends and we have been with you in many, many very difficult issues.

Just some advice from me. As you know, I advised the President to use military force earlier because I felt Noreiga was not going to leave without military force.

One of the problems I see and am concerned about is if they don't have the authority to command in Panama—you have got a four star there—admittedly he is SOUTHCOM Commander, but you have a two star who is ground commander with much military and combat experience.

If we continually argue up here and the commanders don't have the mission to take Noreiga—if it has to come back here and be argued about before the decision is made, in my opinion, there will always be some excuse not to act.

BEIRUT

You may well have been justified in not acting yesterday, but it reminds me of the Beirut situation where they didn't have bullets actually in the chamber. That seems like an insignificant thing. The rules of engagement said they could fire if threatened and I am sure the same type of rules apply in Panama. When the civilian truck moved towards the compound, the lance corporal, even though the President said on national television he fired, he did not fire. I remember talking to him afterwards and I remember Vice President Bush coming back from his investigation telling me and Tip O'Neill that he had fired. He found out afterwards and he called me and admitted that he had not fired. The point is the mindset in the troops at the time because the mission was not completely clear, he was afraid to make a decision.

Now, what I worry about is if you don't give these commanders the ability to make a decision to act whenever they have an opportunity, and with the time it takes coming back and forth and arguing up here when we really don't understand the situation as well, I mean, all the ambiances of what is going on down there, I think we will never be able to get a decision made.

Now, it is easy to say the President will make the decision, but it seems to me it has got to be made in advance if we are going to take him and we have been moving in that direction, but nothing has been happening.

When we pulled the dependents back to the base, I know there was a lot of delay there; when we reinforced the unit and reduced the number of people there, it seems to me we were moving in that direction.

Then when we have an opportunity, we argue about whether the person taking over is going to be with us or not. I understand it is a legitimate argument, but I am concerned that if every time this guy is available, we have to make a decision up here, nothing is ever going to happen. In my latest visit to Panama, the archbishop, the Papal Nuncio, and the opposition leaders all believed that if nothing happened by January, Noriega would be strongly entrenched, that it would be impossible for us to act later. So we might as well accept the fact we are not going to get him out, we are just hurting the Panamanian people, and go about our business. That is a policy decision that the President has to make, but that is the advice that we have gotten.

I don't know whether you are right or not in not reacting, but in my personal opinion, we are not going to get Noriega out of there. We are not going to bluff him out of there. He is going to have to be taken out either by us or by them.

I have heard all the ramifications and I appreciate the difficulty of making a decision, But I believe you have to allow that decision to be made on the ground. When you allow it to be made here, so far away in the last instance, you will never get him. If they had him under control for five hours, it takes that long to find out if we have him under control. That concerns me, in a difficult situation, knowing it is one of your minor problems compared to the other things that you have.

We tend to focus on what is happening today. We appreciate the difficulty of the decision, but I just hope that you will consider giving authorization, a political decision I am talking about, to allow if they guy becomes available that we can act.

Secretary CHENEY. Mr. Chairman, the difficulty you are faced with, I think, is that of putting one of our career military officers, maybe a two star, in a position where he is going to decide on kidnapping, arresting, whatever you want to call it; taking the de facto head of the Government of Panama.

The guy is a bad actor. He is under indictment. We agree, we want him out of there, but that is a big decision to leave to a military officer, even of flag rank, especially when you are in a position where whatever action you elect to take—we could issue the order today and probably have him by sundown—would be at considerable cost and casualties on their and our part.

One of the arguments that always comes up when you consider one of these kinds of operations is how many dead Americans is Noriega worth?

Most of us would conclude not very many. If the President makes the decision, there is no doubt in my mind but what we can, in fact, execute that kind of option; but before we do that, I think is it appropriate for him to be the one to make that call, given the fact that it has significant ramifications for the forces involved and, from a political standpoint, in the international arena.

Mr. MURTHA. I think you ought to consider the advice from down there about normalizing relations with Noriega because what you are doing now is hurting the ordinary Panamanian citizen and you are having little effect, in my opinion, on Noriega. All the people I talked to down there agree with that position.

Secretary CHENEY. Mr. Chairman, I can't claim that the policy that was pursued by the prior Administration was perfect with respect to Panama.

I think you could say there were mistakes made, but we are left with the hand we were dealt, and that is an individual who is something of a dictator, who is an indicated figure in a drug case, indicted by our own courts, and while we may not be able to remove him immediately, I think, it would be a separate proposition in terms of the moral authority of the Government of the United States if we were to drop those indictments or if we were to be in a position where we restored normal diplomatic relations with him.

The present situation is not very attractive. So far the alternatives seem worse. As soon as we come up with a better alternative, we will consider it.

Mr. MURTHA. If ultimately we want to get rid of him, if ultimately we think he should be taken, I think it has to be done with U.S. forces. We have that capability.

I think you have to delegate that decision to the field commander. The reason I say that is; it just takes too long to argue about it in the White House or in Congress, and consult with everybody. I am saying you make the decision to take him out, the decision hasn't been made at this point, and then allow the field commander to set up the scenario. The only difference I have with you is when the decision is made. You are saying let the President evaluate that at the time. I believe you make a mistake when you do that because politically you then make the President decide. He is ultimately responsible anyway for the decisions, and he doesn't have enough time or facts, you don't know what he might be doing; he might be on a trip to the West Coast, anyplace when this decision has to go on. I am saying make the decision, allow the field commander to do it or start in the other direction, and that is normalizing relations. I don't think you will ever be able to have the situation where you have exactly the right guy in the position for a coup attempt or whatever happens or enough time to come back here yourself to the President, get the advisors together and make a decision to grab him. He moves all the time because he knows it is so cumbersome for us to make a decision. The decision has to be made in advance by the President and allow the authority, if the President believes it is worth the risk, and let the field commander carry it out whenever he sees the opportunity.

Secretary CHENEY. Thank you, sir.

Mr. MURTHA. Any other after-the-fact advice?

HUMAN INTELLIGENCE

Mr. YOUNG. Mr. Chairman, I don't have any advice, but I would like to ask the Secretary a question. As you pointed out, we are friends, we have served together, and he was serving on the Intelligence Committee when the President selected him to be Secretary of Defense and I had the privilege of doing a six-year term on the Intelligence Committee.

Mr. Livingston is on the Intelligence Committee now. Whether it is this situation in Panama or a relatively simple operation in Gre-

nada that accuracy or the ability to have good intelligence in my opinion is seriously lacking. Do you agree with that and do you have any suggestions on what we might do here to promote human intelligence? We spend an awful lot of money for the overhead and technical stuff, and that is good and very helpful, but human intelligence from where I sit is really suffering.

Secretary CHENEY. I think the situation——

Mr. MURTHA. Mr. Secretary, let me just say we obviously have to be careful about this subject because of who is in the room. So just be aware. Some of these folks aren't cleared for that human intelligence special access.

Secretary CHENEY. I will speak in general terms. You could never get enough, I guess, good human intelligence. I think we do fairly well on Panama just because we have been there for a long time. It is never perfect. You are always working the problem as aggressively as you can. Part of the difficulty in one of these situations, such as the one that happened this week is that the nature of the situation itself means there is a certain amount of fog and confusion there. You can have the best intelligence system in the world, but when you get into these situations, people in the middle of it don't know for certain what is going on and they have different interpretations of it. Jack has been in combat. There is a certain amount of confusion that is an inherent part of the situation and it will be cleared up over time and work all your sources in terms of both your technical and human assets, but it is very difficult to get real time intelligence.

We probably do a better job in a situation like Panama where we have got a large force in the area, we work the area all the time, have access to most of the facilities in the area. We have troops out exercising all the time. We have a direct line open from SOUTHCOM to the National Military Command Center in the Pentagon. The communications back and forth between our forces on the ground and the White House and myself and the Chairman are very, very good.

I have been in situations where it is a lot worse. I remember the Mayaguez affair in 1975 where it was chaos. We lost a ship, didn't know where it was, didn't have diplomatic relations with the Government of Cambodia. No question you are always trying to find that one extra piece you can get.

I would not disagree with the basic proposition that over the years we have spent an awful lot of money on very expensive and complicated systems which do fantastic things for us, but that human intelligence is a relatively cheap commodity to invest in and if anything, we probably ought to put more money into it.

Mr. YOUNG. I appreciate that comment because it seems to me that in a situation like Panama where we have a legitimate presence, a treaty presence, a military presence, that is the ideal place to have good human intelligence.

With the Mayaguez, they were out in the ocean. It is tough to have intelligence out there. But in Panama we have a presence which is a good cover for intelligence. Even our intelligence didn't tip us off about what was happening or about to happen there. We learned about it because someone came to the gate where U.S. Forces were housed.

Secretary CHENEY. But it is true that General Noriega, who is an intelligence expert of some note himself, didn't know about it. The only tip-off we had was the communication from the major who ran the coup, initially through his wife and then, eventually, through contact with some of our intelligence people on the scene.

But that was the only sign that there was any kind of a coup. There was no mobilization of forces, there was no increase in other kinds of activities that you would ordinarily look for. The only thing we had was his word that he was going to do it; and obviously our intelligence that it was going to happen was better than Noriega's because he never found out about it until it happened.

Mr. YOUNG. Thank you.

Mr. MURTHA. Mr. Livingston.

PANAMA

Mr. LIVINGSTON. Let me preface whatever I say with the fact that I have considered you a friend and have a world of respect and admiration for you in your current job and in your past jobs, but I have been working on the Panamanian situation for a year-and-a-half and have been very interested. At the risk of being accused by the Secretary of State as an armchair quarterback, let me say that I feel, first, that given the scenario that you were faced with, I can't quarrel with anything you have said or done, but I think that we in the United States have to bear some of the blame for the creation of an unsuitable situation in Panama. By that I mean, we built Noriega up as being public enemy number one, he is the only national world figure who has been criticized by this President or the last.

We indicted him. We have conducted investigations both in the Congress and in the Justice Department which have lead us to the conclusion that he is just a thug. Then we actually send additional troops there, we make a big flourish about sending our troops down in May to be down there and to be ready. Then I have to agree with what Mr. Young said. It seems that we weren't even sure who this guy was leading the coup, whether he was a good or bad until we went back and investigated further.

It seems we should have had a full analysis of who he was and what the potential for this coup was and had our troops in place ready to take advantage of the contingencies that occurred. I can't get over the feeling that we really did miss out. I realize that these coup leaders might not have been the prime guys on whom we would have relied on in the long turn. We might have preferred somebody else making the opportunity for us. But I just am very, very concerned about other leaders around the world, what their opinion of the United States is now, whether they can rely on us. If I were in El Salvador, I would be feeling very uncomfortable.

Mr. Noriega's position is not enhanced by this. He has to be nervous as well, but he is still there. If we are not prepared to use our troops to remove him, then it seems to me we ought to call it a day, bring our troops back give them a rest and get them out of line of fire and considered dropping the sanctions which I believe that have been a failure from the day that they were implemented.

Didn't we have to go back to the drawing boards and ask ourselves legitimately what are we there for and what are we trying to accomplish?

Secretary CHENEY. If I might respond briefly. I guess I would make two points. One, the reason our troops are there is to safeguard American lives and American interests in the Canal Zone—in the Panama Canal. We have obligations and responsibilities under the treaty that run through the end of the century. We have a permanent military presence there with thousands of Americans, civilians and military, as well as dependents and retirees in the area. The reason our forces are there is to make certain that our personnel are safe, secure and protected, that the canal stays open, that the travails that occur within the Panamanian society don't slop over and adversely affect our interests.

I think there is a legitimate reason to have them there even if they were not used to topple Noriega. Regarding other countries' views, I think that if I were here this morning and we had, in fact intervened yesterday, and there had been a series of developments, for example, we had gotten Noriega because we had attacked the coup plotters, or we had intervened and gone after the Noriega forces and the coup plotters didn't have Noriega, or we had intervened and taken casualties and there were several dead soldiers this morning as a result of our activities, or we had intervened and Noriega had been killed in the attempt, I would be here this morning, probably not before this subcommittee, given the well-known views of the Members of the committee, but certainly before the Congress, having to defend intervention, sovereignty issues, intervention authority, why didn't you guys consult more. I think what we did do was prudent. If you consider the kind of reaction that would have rippled throughout Latin America, that we would have problems this morning in Colombia where we are fighting the narcotics efforts, with U.S. training personnel there.

Colombians are very sensitive to our presence there. It would be hard for President Barco to stand up and defend the United States presence in Colombia if we had people in the streets condemning the action we just took in Panama.

That is why we pay the President what we do and give him that big fancy house to live in.

FISCAL YEAR 1990 BUDGET REQUEST

Mr. MURTHA. Any other questions on Panama?

Let's get into the more mundane affairs the budgetary responsibility, Mr. Secretary.

Secretary CHENEY. Okay, Mr. Chairman.

Let me take a few minutes and summarize what I think are the main points I would like to make to the committee this morning as we consider the Appropriations bill for fiscal year 1990. Let me refresh your memory of the kind of sequence of events I have been through in the little over six months that I have been Secretary. One of my first official tasks was to find a way to cut \$10 billion out of the fiscal year 1990 budget, \$65 billion over the next five years. I had to do that because the President and the Congress reached an agreement on what our funding level was going to be

next year in the budget agreement. If you go back to 1986, the first year that fiscal year 1990 figured in the five-year plan, and add up all the programs that were in the budget in fiscal year 1986 and forecast what they were going to cost us in fiscal year 1990, it comes out to \$479 billion. That was the original figure.

We are now down to \$305 billion as a result of the budget accord. To get there, I had to come up with \$10 billion. That is a \$170 billion reduction over time. In addition to that, shortly after we got that package put together, we had a little inflation adjustment of \$3 to \$4 billion.

We are funding drug programs—every time somebody wants to do something on a major area, we are the banks now, so we had to come up with money for the drug program. There are proposals kicking around for use to fund aid to Poland out of the defense budget. We had the budget authority/outlay mismatch problem because the Congress and OMB can't agree on what the spend-out rate is of our budget authority.

We have ended up with a \$4 billion difference which the House authorizers wanted to solve by capping outlays and letting me figure out how to do it. That wasn't acceptable to the Senate. The Senate agreed to change the \$4 billion to \$2 billion. That wasn't acceptable to the House. I wanted to get around the problem by getting credit for moving the payday from October 1st to September 29, which I am authorized to do by law. That wasn't acceptable to anybody. The bottom line is we are still trying to come up with \$4 billion in outlay reductions there. We have had to come up with money—

Mr. MURTHA. That is \$4 billion shortfall, this total is an additional \$4 billion after the \$10 billion you took out?

Secretary CHENEY. That is right. They are saying that after structuring the package with a \$10 billion reduction, we cannot get down to the outlay ceiling given the amount of budget authority we have in there.

The Senate Appropriations Committee came in with their bill, \$9 billion below on budget authority, to get us down to the outlay authority to comply with that agreement. There are other special problems. We have the difficulties of cleaning up and re-starting our nuclear weapons program, so we are getting hit a couple of hundred million dollars to get Savannah River back on line as soon as possible. There is the Afghan program, a couple hundred million dollars, because that wasn't in the Agency budget. When you add it up, it is a long list of a weekly hit for at least a quarter of a billion dollars.

Mr. MURTHA. Why wasn't that in the AOEC budget?

Secretary CHENEY. I don't know. They made the assessment that it wouldn't be needed in light of the Soviet withdrawal, and I think the expectation that the Najibullah regime wouldn't last very long and they were wrong.

Mr. MURTHA. What do you see down the road?

Secretary CHENEY. It is going to cost us a couple hundred million dollars for fiscal year 1990 to get the program moving at the level we think is required and the only place it can come from is our budget.

Mr. MURTHA. You are talking about beyond what has been programmed?

Secretary CHENEY. 1990 money. To top it off now, we are looking at sequestration if we don't get a reconciliation bill approved in the next couple of weeks. My share of the sequestration package is likely to be some \$8 billion in outlays, which translated into budget authority, we are talking upwards of \$15, 16, 17 billion in budget authority to get to that outlay.

Mr. MURTHA. Is the \$8 billion in addition to the \$4 billion?

Secretary CHENEY. Yes.

Mr. MURTHA. That could be as high as \$30 billion in budget authority?

Secretary CHENEY. Depending on how you take it. So the bottom line is these are very difficult fiscal times. We tried to take into account the developments we see out there.

I think part of this willingness—

SEQUESTRATION

Mr. MURTHA. Would you talk about sequestration from your viewpoint, what possibility do you see of a sequestration?

Secretary CHENEY. I have talked with Mr. Darman and he is working the problem as aggressively as he can. The congressional leadership, members of the key committees, are working as aggressively as they can. The bottom line is if we get into a sequestration and it only runs a few days or a week or two and we get something resolved, we can live with that. If we get into a situation where we don't get an agreement on fiscal year 1990, we have to live with the sequestration.

For example, an across-the-board cut on sequestration would come to 4.3 percent out of every single account in DOD. That figures out in the personnel area, to 170,000 people I have to lay off.

Mr. MURTHA. That is if you don't exempt personnel?

Secretary CHENEY. If we exempt personnel, that means a 7.2 percent cut on everything else.

Mr. MURTHA. Would you recommend exempting personnel?

Secretary CHENEY. We still have that under review. We haven't decided that.

Mr. DICKS. Do you have to have a total exemption?

Secretary CHENEY. The President, I believe, under the statute is given the authority to make the exemption.

Mr. DICKS. You can't do a partial exemption?

Secretary CHENEY. We could come back with an alternative sequestration which Congress would have to approve, which would allow us to take it in another fashion.

I am not saying we would lay off 170,000, but if I were to apply it across-the-board, we estimate 170,000 people would be laid off to meet that target, in addition to a lot of other cuts.

Mr. DICKS. That is not military, that is civilian and military?

Secretary CHENEY. That is all military.

Mr. MURTHA. You are saying that is not what you do, but you don't have much flexibility there. Unless you exempt the personnel—

Secretary CHENEY. Unless I am given the waiver by the President, he makes the decision to waive it, then I have to cut 170,000 military personnel and that is not quite ten percent of our uniformed personnel. That is a hefty cut. That is on top of all these other things.

SOVIET THREAT

Let me set that aside for a moment and comment briefly on the Soviet situation because I think a lot of the willingness on the part of many folks to see our budget cut is based upon this notion that peace is at hand, the cold war is over, we don't need to worry about the Soviets anymore.

I am as intrigued as anyone with the developments we have seen in the Soviet Union. We had Yazov here, the first time a Soviet Minister has visited the United States. He is at Fort Bragg today, I believe. He will be back tomorrow. It is clear that the Soviets are in deep trouble economically; that as Mr. Gorbachev is trying to bring about reforms to improve their economic performance, and that he is willing to tolerate a certain amount of political change. If we look at how that affects the military, we can see that in some areas with respect to conventional forces, they are changing and restructuring their forces. We have seen the evidence of draw-downs he announced in December, tanks coming out of Eastern Europe, and a restructuring of the divisions that are left.

Mr. MURTHA. You see them coming out—

Secretary CHENEY. I am talking about evidence that changes are occurring. We see evidence that they are beginning to try to convert manufacturing plants devoted in the past to defense production, et cetera. I think you could make the case, if I were to characterize the overall judgment about what this means in terms of Europe, that the likelihood of a short warning or no warning attack from the Soviets has been reduced; that we may have added perhaps a week to the warning time from when they would decide to launch to when they would actually be able to launch; that the forces they have left are very robust and very capable if somewhat smaller, but their capacity to reinforce in a significant way given full mobilization of the Soviet Union is relatively undiminished. In sum, the situation is improved somewhat with respect to ground forces in Europe.

We are moving ahead on conventional force reduction talks and there is reason for optimism there. But if we move away from conventional force side of things—they still out-number us almost two-to-one in tanks—if you move away from that—

Mr. MURTHA. What about quality of the tanks?

Secretary CHENEY. Quality is improving. They are getting rid of the old ones and replacing them with the new ones.

SOVIET MILITARY CAPABILITY

Mr. MURTHA. So they have a two-to-one majority and a comparable quality—

Secretary CHENEY. I would rather have a M-1 than a T-72, but the fact of the matter is their tanks are darn good. They have always been good at tanks. They built the best tank in World War

II and that hasn't changed. If we are able to reach agreement with respect to force reductions, the overwhelming Soviet preponderance of conventional power pretty well goes away, but that is not here yet.

That is being negotiated. With respect to strategic systems, there has been absolutely no diminution whatsoever, no reduction of Soviet military capability under Gorbachev. They have gotten better, more robust. Four years ago, when he came to power, they didn't have any SS-25s deployed.

Today, there are ——— deployed. Four years ago when he came to power, there were no SS-24s deployed. Today there are some ——— in silos and another ——— on rail cars. Four years ago there was no SS-18, Mod 5; today they are deploying the Mod 5. The fact is, the Soviet strategic capabilities targeted against the United States are better and more robust today than they have ever been and there has been no change there.

Last week when I pressed General Yazov, he talked about the factories and the change of their conventional force structure, and when we asked him what kind of impact this was going to have on strategic forces, he ducked the question. There is no evidence that the Soviets have any intention of modifying, altering or reducing the commitments and investment they are making in strategic systems.

They may well deploy hundreds of single warhead SS-25s. They appear to be doing that, given the production rates and their conversion of SS-20 bases to 25 bases, et cetera. Even if you assume the best, even if you assume we are able to reach arms control agreements, even if you assume Gorbachev is successful and transforms the Soviet economy, even if you assume that part of that success involves reforming the Soviet military, that high end of the technology spectrum, the sophisticated missile capabilities, those kinds of systems clearly are not slated for reduction or elimination. Even if we get a START agreement, we are going to find ourselves in a situation where we badly need to continue to modernize our strategic forces.

There is no scenario that I can foresee in which it would make sense for us to walk away from the strategic modernization programs we have on the boards.

Their Navy is getting better, they are scrapping some of the older models. But if you look at their strategic systems, they have just deployed the 6th Typhoon and the 6th Delta 4, both SSBNs.

In terms of their conventional forces, they are fitting out two 65,000 ton aircraft carriers. They have got a keel laid for a third one. That program is still robust. I think their Navy is going to end up smaller, but I think it will end up capable. With respect to submarine programs, there is no slack.

START AGREEMENT

Mr. McDADE. Mr. Chairman, I want to pursue that because, as I understand it, what we are trying to do is to introduce mobility into the negotiations in order to try to reach some kind of an agreement on mobiles and MIRVs. Isn't it conceivable that we could trade MX for the SS-18 in a START agreement? Can you see

an area where you could pull down some of our strategic systems, as well?

Secretary CHENEY. If you get a START agreement, along the lines that are currently on the table, that limits us to 1,600 strategic nuclear delivery vehicles, 4,900 ballistic missile warheads, some 6,000 total in combination and given the bomber discount, which I think is very important, we clearly are going to be in a position where we have to restructure our forces and address the mix we want between submarine launched ballistic missiles land-based ICBMs and the bomber force. We have not yet made that decision.

I have papers kicking around on that. You are going to want to take a look at your Minuteman IIs and IIIs and what role they play and decide how many of them you want to keep. If we go forward with a small ICBM, that would have to figure into the equation. The bomber force is crucial. START assumes the B-2 and assumes we will be able to carry a significant percentage of our total SIOP weapons in manned penetrating bombers; it takes advantage of the discount rule negotiated in Reykjavik in 1986.

Mr. McDADE. I assume our position would be to try to get some limitation on mobility, wouldn't we?

Secretary CHENEY. What we have done at this time with respect to MIRVs, is to focus on the SS-18s. On a preliminary basis, the Soviets have agreed to cut that force in half.

Again, they are modernizing their 18 force by putting in the Mod 5, 10 warheads, greater throwweight. I don't think they are going to give up the MIRVs.

With respect to mobiles, my guess is that you will ———. We have proposed that. That had been our negotiating position through the last administration.

We have agreed now to allow our negotiators to begin to negotiate limits on mobiles. We have removed our demand for a ban contingent upon Congress approving our mobiles. ———.

Mr. McDADE. One of the concepts that floats around here is if you get some kind of an agreement on START that one of our strategic missiles, either MX or the Midgetman, would not survive the agreement.

Do you agree with that or do you think that is not likely?

Secretary CHENEY. That is really a wide-open question. There have been ideas floated for such things as a ban on MIRVed mobiles; in other words, both sides would agree that the only mobiles you deploy are the single warhead mobiles. The argument for that is, one of the things you worry about is breakout; mobile missiles are hard to find. You don't worry that much about a breakout if they cheat on a few single warhead missiles. But if they cheat on the MIRVed missile, there will be a breakout.

I like the MIRVed mobile, but the Administration has not taken a position on that at present. Our efforts are to get Congress to approve both mobiles, which will strengthen our hand, and give us an idea of what our strategic forces will look like down the road.

Mr. McDADE. I am in accord with you and support both missiles in order to try to get into some kind of negotiating position. The issue I was trying to focus on is whether or not there might be some leveling off of the financial demands that are going to be so constraining to all of us in that area?

Secretary CHENEY. It is conceivable that we would end up with some kind of an agreement, some kind of a limitation on ballistic missiles—the Soviets suggested that.

Whether we would end up with a limit on the percentage of your force that could be mobile—all of these are open questions subject to negotiation.

TRIDENT SUBMARINE

Mr. DICKS. One strategic system you didn't mention in this respect was the Trident submarine program which I have been a strong supporter. We added language asking you to take a look at that because we are at 18 Tridents now and as you start looking at possible outcomes of a START agreement, there is going to be a limit on how many Tridents you can actually deploy.

It seems to me that this is one you don't want to wait until you get there. In terms of budgetary pressures, we have to focus on that now and make a decision about how far down the road to 24, which is what the Navy wants, we are really going to go if it would mean that after a START agreement we would have to take some number of those Tridents out or lower the missile loads on each. I understand, this may be one of the outcomes of the difficulty they have now on fixing the D-5, they would have to deploy a certain number with less than 24 missiles. We ought to think about that right now because we are not going to deploy over 16, 17 or 18, somewhere in that number, between 16 and 20 I think it raises a legitimate question about why should we go ahead when there is life left in the ones we have deployed.

Secretary CHENEY. We are not proceeding willy-nilly to keep building Tridents and D-5s. We don't have a ceiling within the START agreement to handle them. I think the funding for Trident submarine procurement and long-lead items in the fiscal year 1990-91 budget request reflect a Trident force size of at least 19 submarines. ———.

That strikes me as a fairly expensive way to go.

Mr. MURTHA. Are you saying that the Tridents could slip in your strategic package, the one next year and the ones following, is that a candidate for slippage?

Secretary CHENEY. I think down the road a couple of years, given the rate we are building, you will have to make a decision to cut off the program, but we aren't there yet.

Mr. MURTHA. You are satisfied with the D-5, they tell us this is all right. You are satisfied with the newest tests, that the Navy has overcome the problem in the latest test?

Secretary CHENEY. The Navy tells me that they are confident that they have figured out what the problem is. We have had three sea tests so far, two were failures. I wish the press would quit running that one where it comes up and goes into a circle and goes back down.

Mr. DICKS. What if we gave them the money for procurement, but fenced it until you had, say, three successful tests which I understand would all occur in the December time frame? I also understand that there is a wedge of about \$125 million that you have to fund in procurement to keep the contract in place.

Then, say, let's appropriate the other part of the \$1.8 billion, but fence it subject to them demonstrating a successful fix. As I understand it, if they can't demonstrate it, if the fix fails, they are going to have to redesign the entire nozzle and there would be a year or so delay in the program.

Secretary CHENEY. I can assure the committee that I am watching the program very closely. The D-5 missile is enormously important to us. ———. I am not insensitive to the problem at all. I am not about to undertake a course of action that doesn't insist that we get the thing fixed as quickly as possible.

My concern comes from my bias, where I now sit, is that I would hope the committee wouldn't tie my hands in terms of fixing the problem.

Mr. DICKS. If you try to fix it and it doesn't work, then the rest of the money would be released. You wouldn't have a problem with that, would you?

Secretary CHENEY. No.

Mr. DICKS. What are the dimensions of this?

Secretary CHENEY. Let me check on that and make certain it won't break the program.

[The information follows:]

In order to preserve schedule continuity, retain in effect certain advantageous fixed-price contracts which have minimum order quantity requirements, retain lower-tier vendors, prevent serious programmatic disruptions, avoid employee layoffs and consequent additional costs, \$250,000,000 will be needed prior to demonstrating that the cause of the first and third performance evaluation missile test failures has been identified and corrected. If the remainder of the \$1,816,184,000 was made available after the fixes are proven, the program would be executable.

Mr. MURTHA. It doesn't help us, that is the problem. It doesn't help us with outlays.

Mr. DICKS. It does help keep our modernization program strong. Could I follow up on one point? ———?

Secretary CHENEY. My view has been that zeroing out the D-5 by the Senate was for bargaining purposes, if you will.

Mr. MURTHA. The bottom line, would you recommend the B-2 if the D-5 weren't in there?

Secretary CHENEY. The bottom line is that the President, I think, feels very strongly about two propositions.

The first is that we have an adequate strategic modernization program as part of the package, and that means SDI, B-2 mobile missiles, the Trident; that if the program is inadequate, in his view, in terms of strategic modernization, he will beef up the program.

D-5 is an important part of it. I can't conceive of a situation——

Mr. MURTHA. We are asking how important it is. That is veto bait.

Secretary CHENEY. Very important. I could well recommend a veto.

The second part is the question with respect to add-ons, add-backs to the program, if you will, and if we end up with a bill that has a lot of things in it that we didn't ask for, that we don't think we can afford, that we believe are lower priority——

Mr. MURTHA. You are not suggesting we can't work our will on this bill?

Secretary CHENEY. I would never suggest to the chairman that you can't work your will on the bill. I would suggest that you might work your will on the bill in such a way that advisors would recommend a veto.

Mr. MURTHA. We may have a problem, if you get yourself in a straitjacket where the Cheney budget would prevail—

Secretary CHENEY. I haven't suggested that.

Mr. MURTHA. Let's just stay on the strategic issue.

B-2 PROGRAM

Mr. DICKS. I have a strategic question. How do you feel about the B-2 program at this point?

Secretary CHENEY. I am for it.

Mr. DICKS. I know that.

Mr. MURTHA. How about the Midgetman versus the B-2?

Mr. DICKS. Can you give us a little sense of how the initial test program is going and are we going to be able to demonstrate to the cynics on the authorizing committee that the performance matrix can be met?

Secretary CHENEY. I looked hard at the B-2 when I came on board primarily because I was getting conflicting information about cost. I was getting one set of numbers from the Air Force and another from the civilian side of the agency, so I sent them back to the drawing boards and said I want to squeeze everything I can in an effort to be candid with my colleagues. I don't propose to tell you something is good if it isn't. If I have doubts about it, if I think the information is incomplete or there are unanswered questions, I am going to tell you that.

When I made those statements before an authorizing committee, people said, "Cheney is not for the B-2." Not true. I said I am not confident that I have good data. I think we are in relatively good shape in that regard. The B-2 is a program that this committee was involved with long before I got involved in it. It has been around for over ten years. We have the manned bomber, the B-1. Nobody questioned the B-2. I remember being upset with the Carter Administration when they revealed the fact that we had been developing stealth capability in the seventies. We have made that investment. We have 13 aircraft under production in one stage or another. We have the first one flying. Flight tests are going very well. The aircraft performs very well so far. We have a long way to go in terms of testing, but everything we have seen so far is first-rate.

Now everybody is crying sticker shock; it costs a lot of money. It does, but if you look at it as a percentage of the defense budget compared to what we spent on the B-52 in the fifties, it is comparable or less. I think given the importance of the manned bomber fleet—and I think it does continue to be important—we need to maintain the triad. Nobody argues that we should abolish the triad—you need a manned-penetrating bomber. When we consider the fact that the size of the bomber force today is rapidly shrinking in terms of the penetrating role, as we had to take B-52s out and the FB-111s are coming out, we are down to having 97 B-1s that should be able to penetrate at that point.

You have made the investment, now we need to take advantage of it and complete the program.

Mr. DICKS. One thing I worry about is what the House is looking at. You said in your statement before the authorizing committee—I was there—that the last thing you want to do if you are worried about money and the budget, it seems to me, is to stretch it out and slow it down to such an extent that you raise unit cost and then create an inevitable rise in the price that will be self defeating.

At some point we have to decide when we are going to ramp this thing up.

Secretary CHENEY. I made the decision this year, to slip it by a year. I wanted the flight testing. I thought you could justify a one-year slip. If we come along now with all kinds of bells and whistles to the legislation you are only going to make it more difficult for me to run the program.

In fact, people who were crying sticker shock in 1989 will come back and say why did the price go up in 1990. The reason is that Congress stretched out the program. I hope the Congress gives us the authority to proceed. I understand the concerns but I think we have done a better job of testing before flying on this aircraft than any we have ever developed.

We have the avionics, the platforms, all the capabilities that we have used to create a system I think gives us reasonable confidence that it will perform as expected. You have to remember, the B-2 is different than any other airplane we ever built. In the old days you could build a prototype and test it and then set up the manufacturing line. The stealthy nature of the B-2 depends on the fine match in order to get the Stealth characteristics.

You had to build the production line to get the first aircraft and we have done it. Do we crank it up or shut it down?

Mr. MURTHA. Are there any other strategic questions?

Mr. YOUNG. I would like to use my time on a non-strategic subject. So I will yield.

B-1B AND B-2 PROGRAMS

Mr. MURTHA. Mr. AuCoin.

Mr. AuCOIN. Mr. Secretary, I supported the B-2 down the line, even in those days when those of us who supported the Stealth bomber were accused of supporting paper airplanes. I voted against all of the weakening amendments, I think you know that. But as I look down the road and the budget crunch it is going to get tighter each year. The fiscal shambles that you have described for this year is only the tip of the iceberg. It is going to get infinitely worse in the years to come. As I look at that, and then look at the needs that we have for conventional modernization, we do have those, and when I look at the billions that you are asking for on Star Wars, then when I read the President's lips, I have and I believe him, no new taxes, it really causes me to draw a deep breath and sort out what we can do and what we cannot, including some things I have supported. Herein comes the B-2 among other things. I have always opposed the B-1. It has turned out I think to be even

worse than I had said it would during those years when we were fighting over that program.

But with all its problems with ECM and low altitude flights, et cetera, all on the penetration issues, despite all those problems, if you use the B-1 as a stand-off cruise missile carrier, even with those problems, it really would carry out that mission fine. It is over-priced for that mission, but we have paid the price already. In a stand-off mode we would then have no problems. My understanding is, that is where you will take the B-1 eventually. In this climate, why not save money and time and covert the B-1 fleet right now for the stand-off mode?

Secondly, what if we then stop the B-2 inasmuch as we cannot raise taxes, we have to fund Star Wars and ICBM modernization, why not stop the B-2 at the same time, get the technology and have a B-2 force for special purposes and rely on the B-1B perhaps with the advanced cruise missile if we can straighten out those problems for our deterrent? If we took those two steps, how much would we save and what would we give up in capabilities? In answering what we should give up, tell me about the military capability, if you would, in terms other than just the fact that we are giving up a manned penetrator. I want to know what capability we would be giving up if we were to take those two steps I am suggesting.

Secretary CHENEY. Let me talk about that for a minute. A lot of people have suggested that the cruise missile is the answer to the B-2. I think that would be a mistake. Let me walk through why I think it would be a mistake.

The fact of the matter is that a cruise missile is a great system, an important part of the force and will be in the future. ———.

Mr. AuCOIN. What targets would those be?

Secretary CHENEY. I don't know how much we can get into.

Mr. AuCOIN. Hard targets?

Secretary CHENEY. ———.

Mr. AuCOIN. So they would not have the counter force capability?

Secretary CHENEY. Not just counter force. ———.

Mr. AuCOIN. I know what you are talking about.

Secretary CHENEY. The cruise missile clearly will not work in that role. You also have the problem of flexibility. The cruise missile can target, but that is it.

One of the things we hoped to do with the manned penetrating bomber but are not able to do today, was to have the flexibility in targets.

At this point you have to figure out how to track and move missiles. You have the problem from the military standpoint of stresses of Soviet air defenses. If we are not going to have the manned penetrating bomber, that changes the whole outlook. The Soviets can go to a system that places reliance on not having to deal with a Stealth low observable manned penetrating bomber or can go to an air defense that is dealing specifically with the stand-off weapons, to reach out at long range with a defense force that would allow them to knock down the B-1 or whatever they might be without the cruise missiles.

Their problem becomes simpler. Not only is the bomber crucial in terms of the future of the strategic deterrent in maintaining the Tridat, but it is important from the standpoint of arms control. We have this whole theory with respect to START that what we want to do is deemphasize fast flyers, ballistic missiles, and emphasize instead the slow flyers that we can recall after launching them to survive.

The bomber can be launched in a crisis and it is recallable. Based on that theory, President Reagan and Gorbachev have recognized the role of the bombers. It is very significant. Specifically if you have a bomber that is carrying up to 20 bombs, it counts as one warhead under the application of START.

If you have a missile with 10 warheads, it counts as 10. There is a very strong incentive to load the bomber with bombs or SHRAMS, since a fully loaded penetrating bomber counts as 1. Under START the bombers would carry upwards of 40 percent of our total weapons. About 30 percent of our total weapons would be bombs and SHRAMS. If you go to the cruise missile in lieu of the penetrating bomber, then you are severely limited by the ALCM counting rules, under consideration in START.

We have asked for a discount. We started our negotiating position with the Soviets saying we wanted to count each bomber equipped with cruise missiles as six. That was the DOD position. We came off that and said we are now in a position to count a bomber with cruise missiles as 10.

The Soviets say if you have 20 cruise missiles, you have to count it as 20. It is clear from the direction we are headed in that you will never get the same discounts on cruise missiles as you get on bombs. The result of going with the cruise missiles is that you will end up with a lot fewer weapons. That raises questions about our target base.

Mr. AuCOIN. You say you are really trying to move in the START more toward bombers as opposed to ICBMs. Then why is it that Richard Burt told me that he has no instructions at Geneva to deal with the question of MIRV and ICBMs.

Secretary CHENEY. We just now agreed to change our original position and that was his instruction to continue to ban. As a result of a decision we made just before the Jackson Hole bilateral talks, we have agreed that we will have limitations on the missiles.

If he does not have his instructions, we will have them momentarily.

Mr. DICKS. Would you yield?

Mr. AuCOIN. I would like to hold on to my time, but I will yield.

Mr. DICKS. Is the B-1 a good cruise missile carrier? I understand if you put them on it will affect the range and I understand that is why you decided to use it for gravity bombs and SHRAMS.

Secretary CHENEY. We have not looked at it like that yet. It is currently part of the penetrating force.

STRATEGIC DEFENSE INITIATIVE

Mr. AuCOIN. Another question on SDI and START, the Soviets have put a new wrinkle on this and I would like to explore it as my last question. It seems to me that the latest Soviet position in the

last couple of weeks on Star Wars and START is not the concession that the media portrayed it. On the contrary, it seems to me they rather cleverly killed whatever bargaining value Star Wars might have had. By taking SDI out of START, it seems that nothing we do on Star Wars will make them more accommodating. They say if we violate the ABM Treaty, START will be dead.

So they are telling us SDI cannot hurt us in the START talks but there is no way it can help. If you disagree with that, explain how Star Wars can help us at START given the new Soviet position.

Secretary CHENEY. I never approach it as Star Wars.

Mr. AuCOIN. I am sorry. SDI.

Secretary CHENEY. I have never looked upon SDI as a negotiating chip to be bargained away in order to get START. I think strategic defenses are clearly going to be within our capability. I think it is more important to do it. I can't think of anything I would rather spend money on than the effort to develop and deploy it.

Mr. AuCOIN. You also want a START agreement?

Secretary CHENEY. Yes, I do. I think what the Soviets have done is given us the opportunity to go forward and conclude a START agreement. They recognize, at this point, that we were not about to back off our position and want to continue to develop SDI as well. If you believe the only reason for pursuing SDI is to get a START agreement, that is different. The world will be a much safer place spending money on defenses than offenses.

Given among other things the proliferation of missile technology and weapons of mass destruction in the world, I think the need for SDI is increasing, not decreasing.

Mr. AuCOIN. If all that is true, I think we have to agree that SDI still remains the single biggest obstacle to getting a START agreement in place that will stick.

Secretary CHENEY. I think you will get a START agreement in place now because the Soviets have backed off their insistence to solve the space defense treaty now.

We can conclude a START agreement now.

Mr. AuCOIN. I want not only to conclude it but I want it to last.

Secretary CHENEY. If they fell off the position they have held for some time with respect to SDI now, in part because we have been firm and insisted on the right to continue our research, I don't think there is a reason to expect them to fall off down the road.

They have so many problems in the Soviet Union I cannot believe President Gorbachev is interested in coming back on that. Have you told the staff what the bottom line is yet?

Mr. MURTHA. Have you given us a bottom line on SDI yet?

Secretary CHENEY. No.

Mr. MURTHA. Are there any other strategic questions?

BRILLIANT PEBBLES

Mr. LIVINGSTON. In your statement you say "Brilliant Pebbles looks like a winner. Our investment is paying off."

Will you expand?

Secretary CHENEY. I spent the day at Livermore Labs a couple of weeks ago for the latest update on SDI. We have extensive reviews; the Defense Science Board is reviewing the program; the Jansons

are looking at it. I was tremendously impressed with the progress I have seen the folks make at Livermore in developing the concept of "Brilliant Pebbles." As soon as it is further along, and we have a chance for a technical review, the committee may want to avail themselves of a briefing.

The pace of technological development is so rapid with respect to our computing power and sensors technology, that they are able to significantly drive down the projected cost of the system. They have come up with a robust but simple system. It is, I think, the most promising technology I have seen with respect to SDI. I will await the final reviews on it, the analysis of counter measure potentials, et cetera, but everything I have seen so far on "Brilliant Pebbles" leads me to the conclusion that may well be the architecture we will want to use.

Mr. MURTHA. Mr. Sabo.

FUNDING FOR FISCAL YEAR 1990

Mr. SABO. Welcome Dick. I have a comment. I understand that you are probably not going to tell us the bottom line on the strategic questions before us because of the very difficult three way negotiations between the House, Senate and Administration.

But I would simply suggest that the expectation that the House will simply yield is going to be very unrealistic. I am not sure what the shape of that compromise will be but clearly for any bill to pass the House I think it has to reflect something significantly different than what the Administration requested.

The House bill is not to be one that simply yields to either the Administration or to the Senate. I would hope that you think seriously about what your real priorities are.

Secretary CHENEY. I certainly spent enough time up here so I know nobody gets 100 percent of what they asked for. I can't remember a time when that happened except maybe the tax bill of 1981. But it is a compromise. The President knows that. The Chairman asked me what the bottom lines are in the bill. I said the strategic programs are very important. Secondly, we are not about to have a bunch of stuff added back. My plea with the Congress is, that later on in this litany, given this long list of hits that I have taken in the last six or seven months to take money out of the defense budget for other things people like to have funded.

Mr. MURTHA. Some are self inflicted.

Secretary CHENEY. Let me cancel some things. For crying out loud, let me get rid of some programs. We cannot operate by taking billion after billion out of defense while old Dick doesn't get to shut down bases or change production lines. Let's do a few things as well.

Mr. SABO. Some of us think that not pursuing some new plan is a better idea than shutting down existing programs that have worked.

Mr. MURTHA. Now if you would go on then to your next step.

PERSONNEL

Secretary CHENEY. In addition to the strategic modernization, we sort of had four or five basic priorities. First was the people questions. If you spent as much time as I now have over the last few

months out with the troops and looking at the forces, the thing that you are struck by, is the enormously impressive caliber of young men and women in uniform today. That is a nice thing for the Secretary of Defense to say. It is absolutely true. I spent some time with an M-1 tank crew in the 4th Division at Fort Carson. They have a platoon sergeant, 31 or 32-year old sergeant. He has been in 13 years. He is smart, bright, talented, experienced; he just has a wealth of talent and ability. He has a gunner with him who has just reenlisted for the second tour in four years and two relatively fresh guys.

It was in the Trident submarine Henry Jackson, the desert in Fort Irwin. I just can't help but believe that the backbone of the military today is the caliber of those people. If you take a category 1 tank crew and put them up against the category 4 tank crews, they will beat the pants off them every time.

Mr. MURTHA. Are you talking about the category of soldiers?

Secretary CHENEY. The tank crew made up of Category 1 is more effective several times over than a tank crew made up of Category 4 forces.

Mr. MURTHA. We had only three percent Category 4. Now it is down to about ten percent.

Secretary CHENEY. It is slipping a bit. In 1980, 63 percent of the recruits were high school graduates but last year it was 93 percent. You can see a shrinking pool of 18 year olds. I think the most serious problem would be a situation where we make decisions for budget reasons that reduce the attractiveness of military service to our young men and women. We will end up with a significantly less capable force that we fool around with in unwise and unintelligent ways that affect our ability to train first class people. That was number one.

Secondly, and this relates to it, we spent quite a bit of time on readiness. Not all readiness falls into this category, but if you talk to the troops, like the Navy fighter people or the guy fighting in the tank at Fort Carson, the reason they are in the service is that they like to fly jets and drive tanks. It doesn't matter how much we pay them as long as they get into an airplane or drive their tank, the OPTEMPO of training often times is the people question, the ability to perform the things we train them to do.

We try to be careful with questions like Operations TEMPO when we put together the package. We talked about strategic modernization.

Another item is our forward deployed forces. We were willing to make minor adjustments but, in the midst of negotiations with the Soviets, we did not think it made a lot of sense to begin unilaterally for budget reasons to draw down our presence over there.

The final criterion I had as we tried to put together that budget amendment was the notion that it was very important for us to make some clear cut choices and try to procure at efficient rates. When the services came up to me originally with their proposals for taking the \$10 billion hit in 1990, a number of proposals were keep everything but stretch out the buy. Those were the kinds of proposals I got. I rejected most of them. We accepted a few where there were complex technology problems like the B-2, for example,

but as a general proposition I came down on the side of canceling programs in order to preserve others we kept at efficient rates.

One of my assignments from the President is to implement the Packard Commission recommendations. My challenge is to run the Pentagon in a more efficient way, getting a bigger bang for the dollars. If the first thing I recommended to the Congress would be to run our production lines at low rates and keep us in the business of buying new F-14Ds at \$50 million rather than making the A into D at \$25 million, that would be a mistake because we would have ended up with the same capability. We try to make those kinds of calls.

A final analysis, just a word or two, and I will finish, the kinds of decision I made on the Apache, F-14D or V-22 are not pleasant decisions. When I was in the House there was never a defense program I did not vote for. I loved them all. Now given what is happening to our top line and, as I mentioned to Congressman Sabo, the continual efforts to take money out of defense to fund other priorities because we don't want to raise taxes or the deficit, we have to make decisions to cut down force structure, cancel bases, so what we have left is the most robust well trained force. Even if it is smaller, we want to preserve a very capable force. I don't agree with basic trends of what the future holds in terms of defense spending. We have to have the courage to step up to the plate now and make those decisions, cancel some programs, terminate some programs.

Mr. MURTHA. Let me say, Mr. Secretary, you are a distinct change from your predecessors because they were willing to do the things you are talking about and you are trying to stop. I agree with you. They want to allow forces to stay on at the high level but they would be a hollow force.

I couldn't agree with you more. This committee has put in money for O&M because we believe in the same direction that you are going.

Mr. Wilson.

AFGHANISTAN

Mr. WILSON. Mr. Secretary, I want to compliment you on the great job you are doing. Your grasp of the issues in this short time is very impressive. I also want to compliment you for choosing General Powell. You needed a heavy weight to follow Admiral Crowe and I think you got one. Mr. Secretary, I think you nor I, when we were on the Intelligence Committee, liked the idea of deliberately falsifying the intelligence budget by leaving out what we knew Afghanistan was going to cost. That was done because the Administration didn't want to come in with a higher CIA budget. I would like to point out that if we are spending ——— a month in Afghanistan the facilities are spending ——— a month, the cost to them, the ——— flights that they have had today, that is an immense drain from somewhere.

Mr. MURTHA. Do you have a classification problem with these figures?

Mr. WILSON. Maybe we should not talk about numbers, just ratios.

Mr. MURTHA. Yes.

Mr. WILSON. Whatever it is, it is six or seven times as much for the Soviets. They have to pull that money out of military capability somewhere. It is bleeding them. I think you ought to keep that in mind.

Mr. MURTHA. Charlie, give us an idea where you think we are. You remember the CIA came up, said it is over and they were jubilant. They were obviously overly optimistic. Are you saying you predict these kinds of funds will be necessary throughout the whole year?

Mr. WILSON. I think throughout the calendar year of 1990 that they will be necessary but remember things are not real bad because people on our side are fighting without anything. The fighting will go on, and as it is going now there is no great political problem for anybody, and it is a terrible drain on the Soviet Union. The last thing we want to do, I think, is, because our basic American impatience is to walk off and leave a heroic people who have struggled mightily and made great sacrifices.

Mr. MURTHA. Are you going to be asking for that kind of money?

Secretary CHENEY. At this point the number we are talking about coming from DOD is in the order of ———.

Mr. WILSON. Mr. Secretary, I think—I am in agreement, I feel kind of bad to talk about how great you are and how much in agreement I am with you when I voted to put the V-22 back in, but I think you understand that.

Mr. AuCoin. He understands.

FORCE REDUCTIONS

Mr. WILSON. So I do feel some embarrassment. We talked about this at breakfast with General Powell briefly but we know we are going to have less dollars. I don't necessarily like that but I know we are going to have less dollars. We all agree about quality. We all agree with O&M. We all agree about the operational rapidity.

Secretary CHENEY. OPTEMPO?

Mr. WILSON. That is right. So it seems to me it is an inescapable conclusion that we are going to have to have less world-wide commitments. I have asked the Chairman and he has agreed in principle but I think we have to start thinking seriously about where we can reduce our world-wide forces. I agree with what you say about the robust Soviet threat still being there in Europe. Our European allies are going to be nervous as they come to 1992, but I think we have to seriously talk about, and people in the Pentagon have to seriously think about, where we have troops that we can pull out.

To me it is obviously, Korea, Japan and the Philippines. I don't think it should be looked at as some kind of heresy, and I am not accusing you of this but my colleagues look at it as some kind of heresy to pull out of the Pacific.

We cannot stay at every place we are and maintain capability. I don't think anybody in the Pentagon is thinking about that.

Secretary CHENEY. I don't disagree with your basic proposition, Congressman, that we are going to be in a position where we can, in fact, reduce our commitments. I am inclined to think you would not likely want to go to zero anyplace. I think the U.S. military

presence in Korea, the Philippines, and Europe, is very, very important politically.

Part of our influence in the world, and our capacity to help shape events, depends on our being involved there. I would never want to see us go to zero in Europe, for instance.

KOREA

Mr. WILSON. In Korea who are we trying to influence?

Secretary CHENEY. In Korea right now I think we have a situation where if you are looking around the world for a place where the possibility exists of a short warning or no warning attack by a major military force, Korea is it, given what the North Koreans have, given the sophistication, they have, MIG-29's, 23's, SA-5's, and they are forward deployed. They are fundamentally a hostile regime that most people consider irrational by our standards.

Let's assume the South Koreans are doing more and more for themselves. They can do more and we keep leaning on them for burdensharing, but I think there is still a need for some kind of military presence. Does it need to be 40,000 forever? I don't think so. I think how we make these changes is important.

There are two areas right now where I would argue this budget or partly in the budget and partly in the policies we are pursuing, we are clearly looking at reduced commitments overseas. On CFE, the President's proposed taking 30,000 U.S. troops out of Europe. That is not insignificant. I can't remember the last time an American President proposed that.

We thought we should not do it unilaterally but develop that proposal within the framework of the Alliance. One of the things that happens when the threat recedes is that the Alliance starts to get goosey. They start to worry about other things. The tension dissipates. It is important to keep that Alliance together. Given the prospects for instability in Eastern Europe and the Soviet Union, now is not the time for us to undercut the Alliance. We thought it was important that if there is to be a reduction of U.S. forces in Europe which is basically our policy and the Soviets agreed, let's do all that in the framework of the Alliance. It takes longer but it holds the Alliance together and gives us incentive to see that the Soviets take down that many.

I may be the only Secretary of Defense that gets to preside over a period of time when the U.S. and our allies have numerical parity in conventional forces in Europe. That is great. But we have to go about it in an orderly way. With respect to commitments, one of the decisions I made this year in terms of force reduction, was to retire a carrier. That was not easy for the Navy to accept.

We had the goal of 15 carrier battle groups and a 600-ship Navy. It is not going to happen with the current budget outlook. I said we are not going to go to 15, we will stay at 14. They said, if you do, then we won't cover our commitments. I said, well let's change the commitments. We made a preliminary decision that we would be implementing by the end of this year. From then on, instead of having an aircraft carrier battle group in the Indian Ocean ———.

The Soviets have withdrawn from Afghanistan, the Iran-Iraq conflict is over. The Persian Gulf is relatively quiet. We don't need

a carrier group in the Indian Ocean every day. Once you make commitments nobody ever wants to go back. But we don't really need that force out there. We are making those kinds of decisions. We will be happy to work with the committee in doing it as well. But I really do think that the way for us to proceed is to consult with our allies, not to start jerking people out strictly for budget reasons.

FIVE-YEAR DEFENSE PLAN

Mr. DICKS. Are you going to have a five-year plan at some point? Will it be in the 1991 budget? Will you lay out how we are going to get there?

Secretary CHENEY. When we revisited the 1990 package, we had a set of numbers that ran through 1994. It is based upon the assumptions that there would be zero percent real growth in 1990 over 1989 and 1 percent, 1 percent, 2 percent, and 2 percent real growth in the out years. In 1990 instead of zero growth we are getting minus 2 percent.

Mr. MURTHA. You have had five years of that.

Secretary CHENEY. So I am between a rock and a hard place at this point in terms of planning a five-year budget. What we submitted in terms of the changes we made by shutting down the F-14D production line and the Apache helicopter line after 1991 all fit. We had a package of cuts in 1990 and through the out years that we thought could get in if we could fund the B-2.

If we end up below that, with negative real growth as we have had for the last five years, then we will have to go back to the drawing boards and I will be up here saying we have to cut more programs.

Mr. WILSON. I hope the Chairman finds time to hold the hearing we have talked about where we just talk about the Pacific for two or three hours.

This is a time when we all agree the budget is shrinking and there is nothing we can do about it. We all agree on the absolute necessity of maintaining a technological edge, maintaining operations and maintaining a highly qualified force. This is the proper time to seriously think about what the United States is doing with 40,000, 50,000, 70,000 soldiers protecting two of the most prosperous countries in the world, Japan and South Korea, neither of which are very cooperative with us on trade issues and both of which can fully afford it.

South Korea has ten times the gross national product of North Korea. I don't know where the threat is to Japan and I don't know where the threat is to the Philippines. I want us to think about those things in a serious way.

I hope that you will do that.

Secretary CHENEY. I would love to get into a debate on that. My own personal view is that our relationship with Japan, which is based—

Mr. WILSON. On let's give them everything they want.

Secretary CHENEY. No, to a very significant degree on our mutual security interests.

JAPAN

Mr. WILSON. Who is threatening Japan?

Secretary CHENEY. For a long time the Soviets have.

Mr. WILSON. But not now. It is not that far from Honolulu.

Secretary CHENEY. I would argue with my good friends that there are prospects for greater progress in Europe than there is in Soviet deployments in the Far East.

I think eventually we will get both. I think in the next 30, 40, or 50 years probably our security will depend as much, if not more, on having a good relationship with Japan than any other country in the world.

Mr. WILSON. They don't act threatened.

Secretary CHENEY. They spend more money on defense than any of our other allies in absolute terms. They spend more on foreign assistance now than any other nation in the world, more than we do.

Mr. WILSON. It is hard to justify reducing our technological edge, reducing our readiness in order to protect countries that can protect themselves.

Secretary CHENEY. I think we derive enormous political influence because of our military presence around the world, not just Japan, Southeast Asia, Europe and other places. I think that set of deployments is a mark of a great power. I cannot conceive of giving it up.

Mr. WILSON. We can sell them rice for half what they raise it for.

Secretary CHENEY. They are buying a lot of beef.

Mr. YOUNG. I have to make this comment, Mr. Secretary. Japan might be making much larger contributions to the foreign aid programs than the United States and other countries but they are doing it in such a way that they get points. They get the credit and whoever gets that help knows it is coming from Japan, unlike the United States who backs away from every opportunity to get a little credit for the billions of dollars that we spend for foreign aid programs. But that was not what I wanted to ask you about.

There are a lot of things I would like to discuss with you at this hearing, the strategic side as well as the conventional side. Time is limited. I wanted to reserve my time for just one program.

It does not have anything to do with my district because if any of it is done in my district it is so minor that I don't know anything about it.

V-22 PROGRAM

But it is one your office and this committee have had a head-on collision over and at this point we have yielded to you. You mentioned it in the written statement, the question of the V-22. The V-22 is something this committee supports strongly for this reason. When the witnesses came before the committee they made very, very effective presentations on why that vehicle is part of the strategy and mission. They said it was really the only way for them to go in order to do the job that they were going to have to be doing. As you point out, the world is changing, the threat from nuclear to strategic is lessening and the warning time is getting greater, et cetera.

I don't want to even discuss the issue of V-22 because I cannot do it as well as the witnesses who came before this committee. I would like to ask you to do something that will not cost you anything but a little time. I know time is valuable. This is an important issue to us. My request is this, that you personally ask the Commandant or someone he would designate to spend a little time with you personally to discuss why it is that the Marine Corps feels so strongly about their mission and why they need a vehicle like the V-22 to accomplish that mission.

Whatever you decide, if you will do that, whatever you decide after that session, I will be glad to support in this committee and in the Congress, whether it is for the program or against it. But I would like you personally to have the same briefings that we have had from the Marine Corps.

Secretary CHENEY. If I may respond, Mr. Young, the Marines had two opportunities to make their case for the V-22. We went through the DRB process. Ordinarily the Deputy Secretary presides over the Defense Resources Board. That was not possible this year partly because Don Atwood was not on board and partly because I wanted to do it.

I went through all the reviews on everything that came up. I also heard all the appeals including the Marine Corps on the V-22. I wish we could buy it. It comes down simply to a question of affordability and the priority of that mission relative to other missions.

The reason I made the decision that I did was the cost. I had to come up with \$65 billion and 10 percent of that I got out of the elimination of the V-22. The program over five years is about \$11.3 billion. It is more than that over the longer period of time. I could take funds out of the V-22 program and buy helicopters to perform that mission for \$6.5 billion total savings.

Mr. YOUNG. There is the big difference of opinion as to whether or not that mission can be performed by those helicopters in the same way it can be performed by the V-22 or something similar.

Secretary CHENEY. The mission they want to perform is landing on a hostile shore. The V-22 will allow you to stand off far enough with the battle group so that you are over the horizon and can fly the troops in with the V-22. We had two points that I saw. One is that in the entire period since World War II we have only had one situation, in September 1950, when we had to land troops over a hostile shore. Even with the V-22, 29 percent of the load has to be carried by helicopters because the V-22 won't carry a lot of the heavy equipment.

So even when you are talking about putting your forces ashore and you buy the V-22, 29 percent of the lift has to be in helicopters.

In my discussion with Admiral Crowe, and he supported this decision before the authorizing committees, he concluded that as nice as that would be, with special operations and low intensity conflict, we are not at the point where we are ready to start procurement of the V-22 and make a commitment that will run us \$20 billion over the life of the program.

The Army decided not to go with the V-22, so did the Air Force. The Marines were the only ones on board. That looked to me like an important program given everything else I had to do.

Mr. YOUNG. My request was that either the Commandant or someone he would designate for that purpose have a chance to talk to you about it. Did the Commandant do it himself?

Secretary CHENEY. When the DRB meets, it is the Chiefs and if they are not there it is the Vice Chiefs.

Mr. YOUNG. General Gray met with you personally?

Secretary CHENEY. It was General Gray or General Wendt. It is one of the two. Admiral Trost with the Naval appeals, Welsh with the Air Force appeals.

Mr. DICKS. The Navy is glad to give this up. They are not fighting for it. It is the Marine Corps because it comes out of Navy aircraft.

Mr. MURTHA. Let's start back around again.

Mr. McDADE, do you have any questions?

OPERATION AND MAINTENANCE FUNDING

Mr. McDADE. On that point, we have a bunch over here in the Marine Corps that we had to make whole, a ten percent cut in O&M. It had a 10 percent cut, plus a huge cut in ammo. They are already paying the bills in the services. Look at the Army ammunition budget. It was the lowest level in a decade, so we added \$300 million. We had reprogramming actions to take money out of spares. All I am trying to point out to you is that we agree with you about the OPTEMPO necessary, the people. We had \$1.5 billion in deferred facilities and depot maintenance. We met with General Powell this morning, he said it is like cancer, you get the kids out there and the barracks are not in good shape, they don't do their work, they get the feeling nobody cares. We put back \$1.5 billion in O&M to try to make things right.

I want to point out to you that even the budgets we are getting up here, we are getting a lot of rhetoric about readiness, sustainability but the figures up here, we are making them well on this side of the table and the services are wiggling around as they frequently do.

They expect us to use your dollars from other areas to get well with O&M, to get well with \$1.5 billion for depot and real property maintenance, things we think are important to your strategy of strengthening the forces, keeping the people motivated. We are having to do that right now. We are not even into next year. I point that out.

I yield to Clarence Miller.

BURDENSARING

Mr. MILLER. Thank you.

Dick, just a little while ago I wanted to ask about burdensaring. I would like to bring it back just for one question. You mentioned, as I understand it, a decision to deploy a battleship, aircraft carrier and the destroyers necessary for that battle group to the Mediterranean, instead of ———. How would this help in burdensaring, wouldn't the crew that comes back with them stay with the ship somewhere?

Secretary CHENEY. Yes. It is not burdensaring in that sense so much, Congressman, as it was the argument that is always made

when you say we are going to get by with 14 carriers instead of 15 carriers and then we will not be able to keep our commitments.

That is the argument that came to me. I said, "who sets the commitments and what are they?" That is when I found out I could set the commitments. If we want to reduce the requirement we would reduce it. We decided to go with a ———. A lot of other issues figured into this. In the early 1980s, the length of deployment had an impact on retention of personnel in the fleet. ——— appears to be about the optimum time. We had some deployments in the 1980s when we had ships at sea for over 240 to 250 days and when they would get back to port people would leave in droves, they did not want to be away from home that long.

My effort and my guidance was that let me know if we have requirements we have to reduce but we are going to do it with 14 carriers and men out to sea for ———. If you have changing requirements, come back and see me. I think we can do it with the one change.

Mr. MILLER. We are talking about more than just one carrier, we are talking about 14 or 15. When we have those, isn't it best that they are stationed somewhere around the world instead of pulled in waiting for something to happen internationally and then move out the battle group?

Secretary CHENEY. We have them in different ports across the country, Norfolk, San Diego. We have the MIDWAY home ported in Japan, that is something else Japan does, gives us a home port facility for the MIDWAY. So you never have to bring the MIDWAY home. We obviously run a lot through the Philippines. What we find is that because a high percentage of the force is married today, you cannot staff them up just with single men. We have a significant part of the force who are now women but you cannot put them on the combatants. So you end up needing to get those ships home on a regular basis.

Of course, they can transit the Pacific or Atlantic in a few days. When they go out for deployment they are going for ——— and back to the home port. That maintains the morale of the crew, lets us cover requirements and seems to be the right tempo based on the experience we have had in the past. You don't want to base them overseas. If you do that, you would have a morale problem.

CHEMICAL WEAPONS

Mr. MILLER. In another area, we have legislation that would allow the Pentagon to build nine incinerators that would destroy our chemical weapons. The language that allocated the funds and authorized them said that the nine incinerators shall be destroyed after the chemical weapons were destroyed.

We are going to put about \$1 billion in that. We have language in our report that directs the Army to study the secondary use of those units. For example, we have contaminated needles coming up on the beach in the East and we ought to be able to use these incinerators for the disposal of hazardous wastes or other purposes after the chemical weapons are destroyed.

When we had the people in from the Army who are running the program they stated that if we are going to use the incinerators for

another purpose beyond destroying chemical weapons, they would need to know fairly quickly, not because it is time to destroy them, but because they are now writing the specifications and they would be able to incorporate plans for long term alternative uses for the incinerators. Instead of just destroying the chemical weapons and then cutting up the incinerators, we would then have them available for waste products such as the equipment that comes from hospitals. There are many potential uses with the increase today of the waste that we have.

Could you give us your thinking on this? It seems to me that we should contact the Army very quickly so that they would not be delayed and could incorporate plans for the long-term use of the incinerators.

Secretary CHENEY. I was unaware of the language that you had. I am aware of the chemical destruction program, but I will take a look at it. It sounds like a good idea to me.

Mr. MURTHA. Mr. Miller, do you have any more questions?

Mr. MILLER. Could we repeat what you said. You were not aware—

Secretary CHENEY. I wasn't aware of the language, Congressman, that you indicated was in the bill, the report directing us to look at alternative uses for these incinerators, rather than destroying them. But I will be happy to do that. It sounds like a good idea, assuming we can do it at a relatively low cost.

We will come back to you in detail after I have had a chance to look at it.

Mr. MILLER. Very good, because the language is in our report, and it would need to be done fairly quick. There is also a time limit, which requires all the chemical weapons to be destroyed by 1987.

[The information follows:]

The chemical demilitarization facilities were designed specifically for the disposal of chemical weapons and chemical agent. However, the Department of Defense will address other potential uses of these facilities.

You should be aware of several factors influencing other uses of these facilities. In any event, we will not simultaneously dispose of chemical warfare items and other toxic items. We will not delay the chemical demilitarization program to accommodate other toxic waste. The rolling text of the multilateral chemical weapons ban, currently under negotiation in Geneva, requires destruction of the demilitarization facilities once they complete their missions. In addition, the Department of Defense does not intend to become involved in toxic waste disposal for other Federal and state agencies. Therefore, we would also need to address transferring custody of the facilities once we complete the chemical demilitarization program.

PROCUREMENT AND ACQUISITION

Mr. MILLER. One other thing, Mr. Secretary. We had, a few years ago, many people discussing the high cost for certain small tools that the Pentagon had contracted for. Have we done what is necessary so that we won't have a repeat of that situation—do we have better accountability for the purchasing and procurement from the various contractors?

Secretary CHENEY. Well, we are currently in the middle of preparing a fairly extensive set of plans to specifically implement the recommendations of the Packard Commission, and looking at the

whole area of procurement and acquisition, it is something that badly needs to be done.

When I was offered the job by the President as Secretary, he made it clear at the time that we had our conversations that this was one area he wanted me to address, and he had already given instructions before I was sworn in that he wanted the Department to spend an amount of time and effort trying to improve our management practices, and most of the focus is in the procurement and acquisition area.

I find that we have some 580,000 people that spend part of their time on procurement and acquisition—we have got a massive set of requirements that we have to meet, and obviously we wanted to do it in the most efficient way possible.

Part of our problem is we have a set of regulations in the Department that is extremely cumbersome. I have been told that there are some 1600 different statutes that impinge upon the way we do our business in the DOD. I would hope to be able to come back to the Congress in January with a set of recommendations on how we can clear away some of the over-burden, if you will.

Everybody is interested in procurement reform, but having passed statute after statute after statute over the years to deal with this problem, we are now so encumbered with Legislative and Executive Branch red tape that I think we are spending a lot of money we don't need to spend on non-value-added work.

For example, we have over 340 people, DOD people, Air Force people, on the payroll at Boeing, watching them do their various things. Also, we have 250 Air Force personnel at GE watching them build jet engines. Boeing buys jet engines from GE. They don't have anybody at GE watching them build jet engines, but I have 250 people doing it. Of course, when I put 250 people on a job, then the contractor has 250 people to watch my people, that adds to the overall cost of the overhead.

I think we can do a much better job of improving the way we operate. I am not the first Secretary who has ever had that assignment, and I can't say that there is any silver bullet that is going to let us solve the problem overnight.

But I am confident with the ability of Don Atwood, Deputy Secretary, a former Vice President of General Motors, and John Betti, Under Secretary for Acquisition, that we can in fact make some significant progress in consolidating and reducing and cutting back and in simplifying the whole process.

Mr. MILLER. We understand that when you have somebody purchasing an item, they purchase it by a number. This happens with many corporations. They purchase it by number, and that is the last they see of it. The person that receives the purchase order receives it as a number, but the original person did not know what he was ordering, there was no description to be able to tell it is a ball-peen hammer like we talked about some years ago, or a wrench.

Somehow, there needs to be a description, and some of the corporations have pictures as to what this thing is that they are ordering, that falls under that number. The person ordering would then know what it is, and the person receiving it would know what it is

and would know that it is not worth 10 times or 100 times its real value.

I throw that out for what it is worth, so we don't get involved in another one of these procurement scandals and have the news media saying procurement at the Pentagon is horrible and must be straightened out.

Thank you. Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Dicks?

REDUCTIONS IN PERSONNEL

Mr. DICKS. You mentioned the number of people involved in procurement. Everybody talks about reducing troops in Europe and Korea. What about doing something about reducing the size of the Pentagon itself? I can't believe with 580,000 in procurement, you couldn't do with a few less.

I think that would also be a positive sign that we are not just cutting back on the people on the edge, we are also taking reductions here. Have you looked at that?

Secretary CHENEY. Yes. That is a key part of our ongoing management review. The Service Secretaries have to report their recommendations to me this month. I already have a proposal from the Air Force. Part of that will result in reductions in those areas. I can't predict how many, because I don't know yet.

This is going to be tough for the Congress to swallow. I wouldn't look just at the Pentagon; you have to look at the civilian side of the agency and the military. Some of those people are hired because of Congressional regulations and requirements that have been adopted previously, to clean up our procurement process. If you talk about a significant reduction of the number of people in the Air Force System Command, that is going to impact somebody's District. If we talk about changing some of the statutes passed over the years to try to force the DOD to do a better job in procuring at efficient rates, that is going to require help from the Congress.

So, I will be back, probably in January when we come up with our legislative proposals, and we will be asking for help in terms of being able to implement those changes. A lot of those people are on the payroll doing things that we are required to do, which often-times is what I would describe as non-value-added work; it doesn't have anything to do with providing defense for the United States. But if I am going to have the requirement and have to do the work, you have to have the people that go along with it. So we have to address both problems. If we are going to get a reduction in the number of slots, and I think we can, we also have to have relief from some of the requirements that forced us to hire them in the first place.

Mr. DICKS. I think there is a mood up here that we have overdone this whole thing. I think part of the problem is the price instability of the seventies, where you had a lot of inflation. With inflation being under better control and more stability in cost of programs, I think there is a case that can be made up here for some kind of deregulation and letting it get back to a system like we do on commercial jobs, where you don't have all this regulation and

red tape. I hope we can see reductions at the Pentagon in terms of the number of people as well.

I think that is long overdue.

Mr. MURTHA. You have to show us, and I think we can sell it. I think Mr. Dicks is right, if you show us that getting rid of some of these which you might consider extraneous regulations will reduce the number of people, and particularly if you take them out of the Pentagon and Crystal City, push these people to where they could buy a house and live without having to travel an hour and a half, I think the Congress would be very receptive to that recommendation.

Mr. LIVINGSTON. Would the gentlemen yield? I was told by someone who does business with them that the French have a total procurement office of something like 25 people, compared to our 10,000 or so. Can this be true? I am not sure how accurate that is, but if true, it seems we could make significant savings by approaching that effort.

ADVANCED TACTICAL FIGHTER

Mr. DICKS. This committee zeroed the advanced tactical fighter. A number of us have received briefings subsequent to that decision, and one of the real questions I have is, we have to get those prototypes, and there are certain commitments that were made to the contractors in this particular year of funding. Especially when you asked these contractors to invest a lot of their own money, it seems to me, that it is difficult for us to kill the program right now, rather than getting the prototypes.

I would like to get your reaction, and what your view is of the Advanced Tactical Fighter program. Have you had a chance to look at the concerns expressed by this committee?

Secretary CHENEY. I have looked at the Advanced Tactical Fighter. I don't want to express any favoritism for one competing version versus the other, but the one I have seen is the one at Boeing.

I have talked with the project manager out there. I think it is very important that we develop that next generation fighter aircraft. I remember when we rolled out the F-14 in 1974-1975, and it has been a tremendous aircraft. Its still is. If we are going to have a follow-on tactical fighter, then we need to get cracking on it now, given the length of time it takes to develop these programs.

This is one where we have got major investments from the private sector. We are ready to go, we think next year, with flying the prototypes. I think we have learned a lot through the process of previous developments on these programs, and I think we ought to go forward with the ATF. There may be specific concerns we can address that the committee had in terms of the proposal to zero it out, fixes or improvements on the way the program is managed or operated, but my view is it is an essential requirement, that we in fact go forward. That is our edge.

Mr. MURTHA. The Secretary of the Air Force has taken this zero with the right attitude. He really has gone back and restructured the program. He is taking the attitude we were helpful in what we did, because he didn't have that program together, and I have to

compliment him on the way he is now trying to structure the program.

Mr. McDADE. I want to concur with what the Chairman said. Don Rice did a superior job of getting into this. What we tried to do was to send as much of a message to the community that this is a very high ticket item with a lot of complexities that needs really top-level management. I believe we are getting that done now, but I urge you to be involved as strongly as you can.

I don't know how anybody could believe that Don could deliver the Navy to be a cooperating player in his decision, but they have to be an integral part of it. Not to say we demand it be an identical airplane. There is a lot of commonality there that can occur in avionics. There are enormous out-year costs in this program as we evaluate the numbers given to the committee, and they change every time you review it. This could be the largest single item we have to deal with over the next decade in terms of consuming the resources that you are going to be looking around for.

We found it necessary to get involved, to try to get as intense management as we can, make sure people are aware of the decisions being made.

I think Don Rice has done a superior job of getting into it. We need to get OSD involved all of the time. Is the Navy on Board; have you got everybody in the building together; are we proceeding in the most cost-effective manner? Because this is a program that can eat you alive.

Mr. MURTHA. I think you have to take the same interest Secretary Weinberger did in the B-1. We are talking \$6 or \$7 billion a year, and that is a lot of money. If you get them both together and they both buy the airplane.

Mr. DICKS. On the BA/outlay issue—

Secretary CHENEY. May I respond? I don't disagree with anything the members have said here, and given everything else I am wrestling with, I didn't get actively involved in the ATF until I heard it had been zeroed out by the House Appropriations Committee.

REDUCTION IN FORCES

Mr. DICKS. I hear that the Department preferred to be directed to take any reduction out of force structure, and I have heard a figure of 30,000 personnel years. Rumors circulated that the Department would like total discretion in allocating this reduction? Is this correct?

Secretary CHENEY. If I had to choose how we solve the problem, I would clearly prefer to do it through force structure reduction. I wouldn't say that that is the only way to deal with the BA/outlay mismatch. We have been working with the authorization conference on the same issue; we have given them a proposal which we would be happy to share with your committee in terms of how we approach that specific problem.

I understand this is a sensitive matter, but I would hope, in terms of trying to manage the Department in an intelligent fashion, if we have to meet that, the Congress gives us as much flexibility in terms of how we do it. If it is sort of a blood across the board,

every category gets hit kind of thing, that makes it much more difficult for me to do it in an intelligent fashion.

Mr. DICKS. I think we would like to see that proposal. If you were given this direction, and I suppose this is in your proposal, can you tell us how you would allocate such a reduction between services, between combat units and administrative support and between CONUS and foreign bases?

Secretary CHENEY. I can't now. I would be happy to supply that for the record.

[The information follows:]

	BA	Outlay
Military Personnel	-404	-388
O&M	-3,828	-2,928
Procurement:		
MOD Kits	+3,400	+309
USS <i>Enterprise</i>	+1,293	+67
Offsetting Cuts	+961	-115
Net Change	+5,654	+261
R&D:		
V-22		
Other	-1,980	-1,032
Net Change	-1,980	-1,032
MilCon/Family Housing	-235	-219
Revolving Funds	-529	-401
Drug Interdiction	+575	+270
DOE	+276	+173
Other	+540	+288
Total	+69	-3,976

Mr. DICKS. Thank you.

Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Secretary, one thing you said earlier, that the pilots would fly for any amount of money. We have this bonus program for the pilots. Can we eliminate that on your word?

Secretary CHENEY. No. Before we go to that, I would like to clarify something about the BA/outlay mismatch. I don't want to take it all out of force structure or all out of personnel. We provided the committee our proposal and simultaneously to the Senate appropriators and the authorizing committees currently involved in their conference, in terms of how we would propose to deal with the problem.

Some of it would come out of manpower, but some of it would come out of other accounts as well.

Mr. MURTHA. The Senate has to have certain figures in their authorization. Our authorizing committee is not bound by this same problem.

Secretary CHENEY. We are in the midst of negotiating, trying to be helpful, and I was asked to provide how I would deal with the problem.

Mr. MURTHA. I understand. We want to keep as much flexibility as we can to help solve the problem.

Mr. AuCoin.

ADVANCED ANTI-TANK WEAPON SYSTEM—MEDIUM (AAWS-M)

Mr. AuCOIN. Thank you, Mr. Chairman.

Mr. Secretary, one of the real success stories that I really want to compliment two of the services on has been the AAWS-M program, the new manned portable anti-tank weapon. The Army in the final years of the last Administration, and now in your first year, has really done outstanding work on this new manned portable anti-tank system.

From every indication I have seen, and I have followed this from the time it was a DARPA program, from every indication I have seen five years or so down the road, I think we have the potential here of this being at least as revolutionary a weapon for its function as the Stinger is for its function.

The Army's position, and that of the Marine Corps, is that our foot soldiers have an urgent need that has gone long unaddressed for a medium anti-tank weapon that works against every tank from every aspect, and nothing less than AAWS-M can meet that need so long as the program is coming along well technically, and it is. So long as there is no undue cost growth, and there hasn't been, both the Army and the Marines say that this weapon is essential and would keep the program on an orderly development schedule, which is now on leading to development at the earliest possible time.

I am pleased with the whole story, and I wonder to what extent you are familiar with it and whether you agree with the assessment of the Army and the Marine Corps on the AAWS-M?

Secretary CHENEY. I am generally familiar with the requirement. I don't think there is any question that there is the need to try to find some way for our infantry to be able to deal with tanks.

Mr. AuCOIN. The medium requirement—

Secretary CHENEY. Something that works against the threat, which is very significant. I think the AAWS-M has great potential. I haven't checked on the status of the program recently. But I don't have any reason at this point to question the notion that we are making progress on it, that it is an important requirement and one that we will continue to work.

Mr. MURTHA. Les AuCoin was key in getting the Marine Corps and the Army together on this program. The Marine Corps wanted to buy Dragon IIIs and he convinced them, he played an absolutely critical role in this, and we appreciated it.

Mr. AuCOIN. This is a true fire-and-forget weapon. I go to Fort Benning and talk to the commanders of the infantry school, that is one of the first things I have always heard the need for, a man portable fire-and-forget weapon that can kill Soviet tanks, fire and jump out of sight, and we don't have to rely on that turkey of a weapon, Dragon II. I don't think a Dragon II operator can buy an insurance policy anywhere in the world.

I want to call your attention to one man in OSD, I am not going to name him, who hasn't demonstrated to me that he has the foggiest understanding of the capability that you and I have just discussed. In fact, whether it is witting or unwitting, some of the requirements that he is suggesting for the AAWS-M program, additional testing requirements that are over and above and beyond

the program for AAWS-M, would really sabotage this program and disrupt the schedule.

Some of the testing requirements would require spares and parts and equipment that are not in existence. I want to flag that for you. At this late date, to come as far as we have getting two services to finally agree, and then to move this along as it has been moving along without any glitches whatsoever, to have somebody at OSD now imposing new testing requirements outside the scope of the program, equipment and parts that simply aren't in existence, would be a very good way to kill what is a promising program that the foot soldier has needed for some considerable amount of time.

I want to flag that for you, because I believe that there is a certain body of thought in your shop that doesn't want a medium anti-tank weapon for the foot soldier. I think some people think that only heavy equipment involving large teams of men is going to be effective. But I think for flexibility, for maneuverability and with a true fire-and-forget capability, which is what AAWS-M is all about, if you talk to the commandants and commanders, they will all say the same thing. They need an anti-tank weapon that one man can carry all day, shoot tanks with all day and live to tell about it at night.

We don't have that now, we have the promise of that now, and I would like you to look into this question of extraneous and frivolous requirements that are being suggested for additional testing.

Secretary CHENEY. I will be happy to look into that.

ANTI-SATELLITE (ASAT) PROGRAM

Mr. AuCoin. Could I ask an ASAT question, Mr. Chairman? I am not big on the Soviets shooting down American satellites. Mr. Secretary, I have put this question in more or less identical terms to General Welch, General Piotrowski and Admiral Trost. A couple of years back, Mr. Dicks put the question to General Gabriel. Would we be better off if both Superpowers had modern, effective ASAT capability, or if we had verifiable arms control and nobody had effective ASAT capability,

In every one of those cases, in hearings with each of those witnesses, the answers we have had is that we would be better off if ASATs were banned. I know that ASAT control is under review by the Administration.

I know that you don't have a policy on negotiating it but the grapevine tells me that the opponents of ASAT arms control are dominating within the Administration.

I think that it is worth noting that this committee has voted a lot of money over the years for very expensive, high quality, long life satellites that have a very important function and mission for our national security, but all of the technical experts, including those in your department, tell us that if we get into a race between satellite killers and satellite survivability, the killer technology is going to win in such a race. It is an easier feat.

So this means, it seems to me, that if the Administration decides against trying to get a verifiable, mutual, bilateral ban on ASATs and we go forward and invite the other side, monkey see, monkey

do the same, our satellites ultimately are going to be nothing but technically elegant targets for some Soviet military planner. That means that cheap, replaceable satellites are going to be about the only thing we could use in combat.

So it seems to me that if the Administration comes out against ASATs arms control, that is a real signal to the Congress that our satellite money ought to be put into things like light satellites as opposed to these ultra expensive other satellite programs, because they are going to end up being targets and I don't see what other choice we would have.

Secretary CHENEY. I am glad you told me what the answer was before you asked the question. We have not taken a position of advocating ASAT arms control. My job as Defense Secretary, I think, is to look at the world as I find it, and what I find is that we are heavily relying on satellites. Our reliance grows continuously.

Mr. AuCOIN. You would want to keep ASAT capability out of the hands of the Soviets?

Secretary CHENEY. That would be nice, but my experience has been that generally our security is best provided for when we have the will to go and deploy military capability ourselves; that it has been rare that U.S. security could be dependent upon the willingness of the other side to forego capability.

It may be that this is a different era we are talking about, but as a basic proposition, if you look at the chemical weapons experience, I think until now, chemical weapons have never been used against the U.S. since World War I, because we had the capability and that was a deterrent to the other side.

Given my role and responsibilities, I think having some ASAT capability would be very useful. Maybe the President and Congress will negotiate away that requirement and that we will be able to guarantee that the Soviets are not going to deploy ASAT capability and then obviously I would abide by that system. Right now, we don't have any such agreement. We are dependent upon our satellites. We don't have any ASAT system, and I think we ought to have one.

Mr. AuCOIN. Would you agree with the other witnesses that an ASAT free world would be a more stable world than an ASAT world?

Secretary CHENEY. I don't think so. You could argue that if the Soviet had no ASAT capability, I would be concerned about not having any ourselves. As long as they do have some, I think it is important for us to address that question.

Mr. AuCOIN. This is not going to astound you when I say that I am no fan of prompt hard target kill capability counterforce, but you are, and I give you that. The Administration wants to spend a lot to get prompt hard target kill capability with Trident II, the D-5 missile.

Bringing this back to ASAT, without a survivable global positioning satellite capability to update the inertial navigation system on the ships platform, you are not going to get the accuracy that Trident II is advertised to deliver to us. If you don't get an ASAT ban that takes capability out of the hands of the Soviets to destroy the

global positioning satellites, doesn't that throw the main advantage of the D-5 over the side?

Secretary CHENEY. I am not sure, but I don't think that their current capability could destroy the GPS, whose satellites orbits are at an altitude of 10,900 nm.

Mr. AuCOIN. That is the point. Right now they don't have that capability but in an unrestrained race where both sides try to go ultra capable ASAT capabilities, they have it. If we seek it, they are going to seek it. If they get it, we get it, and they get it, these things I have just described are going to be at risk, including the global positioning satellite, which has real bearing on the systems like the D-5.

Secretary CHENEY. When we arrive at that perfect world where we can dictate what the Soviets will and won't deploy—

Mr. AuCOIN. I am not talking about a perfect world. I am talking about this world—

Secretary CHENEY. In this world we don't have agreement, and therefore, I have to recommend that we ought to go forward with an ASAT capability.

Mr. AuCOIN. The same world that produced an INF agreement, the same world in which you hope you will get a START agreement I am not hearing a lot out of the Administration in our strategy for the arms control talks that looks at the military utility to us and our defense capability of restraining a race on both sides for ASAT capability. I think we have much more to lose in an ASAT robust world than the Soviets do.

Thank you, Mr. Chairman.

Mr. MURTHA. Mr. Livingston.

AIRBORNE RECONNAISSANCE

Mr. LIVINGSTON. Thank you.

Mr. Secretary, has the department given new thought to or changed its position on airborne surveillance and reconnaissance platforms, without getting into too much classification?

Secretary CHENEY. Well, my own personal view is that the notion of airborne reconnaissance is an important one. When I was a member of the Intelligence Committee, I pushed hard on that concept. I think there are significant capabilities out there today that we ought to pursue. There are other systems such as the SR-71 which we spent time before this committee a couple of years ago discussing it and we recommended cancellation of the SR-71 primarily because it is no longer cost efficient.

We can debate that. I think there is clearly a future for airborne reconnaissance. I think you can look at situations like the Persian Gulf, where it would have been very valuable to have high flying, long dwelling capability to monitor developments. We have seen civilians build aircraft that will circle the globe in nine days without refueling. There has to be, I think, some capabilities there that we ought to be aggressively exploring.

Mr. LIVINGSTON. You haven't changed your mind on the SR-71 though?

Secretary CHENEY. Before I went downtown, I asked the Air Force to do a study for me and to go over the crises of the last 20

years when you needed to collect intelligence to deal with the situation, take those scenarios and run them against our current capabilities and show me where the SR-71 gave a capability that wasn't better provided by some other system more cheaply, and they couldn't do it. There was none.

The SR-71 was good for a high, fast flying, high altitude penetration, one quick, broad shot and then gone. No dwell time, very expensive to operate, short range in terms of needing to refuel on a regular basis, and it simply didn't meet any of our requirements as well as we could do it in other ways.

The one thing it gave you was release of imagery. The State Department loves release of imagery, but they don't have to pay to maintain and operate the system that provides it.

Given those conditions, the Air Force, which at the time they did the study, was a big advocate of the SR-71, changed their position and recommended zeroing it out. Nice aircraft, but it is an intelligence platform of limited utility.

Mr. LIVINGSTON. But it is survivable—

Secretary CHENEY. Survivable in a lookdown environment. We don't use it to penetrate the Soviet Union. You couldn't penetrate the Soviet Union with SR-71 without flying tankers over there too. The idea that it would function in the post SIOP environment when you have only got it located in the three bases around the world and we would need tanker support in order for it to perform any mission is not a capability likely to survive if we ever have a major nuclear exchange, so it wouldn't do much good.

It takes 50 hours to reprogram it to fly a new route. It isn't a quick reaction piece of equipment. If what we are interested in is some kind of intelligence platform to collect this post-SIOP environment, the SR-71 isn't the system you design for that.

Mr. MURTHA. Are there any other questions?

Mr. Sabo.

FISCAL YEAR 1991 BUDGET REQUEST

Mr. SABO. I am curious about a news account that I have here.

According to this article, there was an agreement between yourself and the leaders of the Armed Services Committee on the general outlines for the budget for next year, indicating that the result of a meeting between them and yourself was the decision to increase procurement funding from \$78.8 to \$84.4 billion, and to cut O&M from \$90.2 billion to \$86.4 billion, but of that \$3.8 billion, \$2.4 billion of it appeared as procurement in a switching of accounts. So for budget scorekeeping, these O&M expenditures, which have a rate of around 60 percent, would be scored as procurement, which has a spend-out rate of 10 percent.

Is that story accurate?

Secretary CHENEY. No. I think it seems from conversations we have been having with the authorizers, they are in the middle of conference. I have had a couple of meetings with the leadership from both houses, both sides of the aisle. To say there has been some kind of a deal simply is not true. We have not shaken hands.

Mr. MURTHA. We hope to get an honest appraisal. We have participated ourselves in many deals to shift money.

Mr. DICKS. Smoke and mirrors is the best term, Mr. Chairman.

Mr. MURTHA. We are trying to get back to a line so all of us know what we are doing so we don't lose our credibility on the Floor.

That always causes trouble everytime we do it. I hope that some of those guys you don't cut out from the Pentagon, that are still left there as you go through this thing, will give us an honest appraisal.

Secretary CHENEY. Again, I don't know what the story is based on other than we are having meetings. We are talking, but I have not shaken hands with anybody.

Is that the deal with the BA mismatch?

Mr. SABO. It relates to that, but that is not a unique problem. In the world of Gramm-Rudman-Hollings, it is outlays that govern us.

Mr. MURTHA. From what I understand, you are trying to match up slow payout in O&M and get procurement out.

As long as they are legitimate, we would not have any problem, but if you are trying to match them up and they don't have that payout, obviously we would object.

Secretary CHENEY. I think what they are referring to is the package I referred to earlier which has been provided to this committee as well. You have everything they have. Specifically, what it attempts to do is to put some long lead time, slow spendout items in the procurement area; for example, buy all of the stuff needed to refuel the enterprise in 1990 funds. It spends out on a slow rate, so you get an increase in procurement there. That is the package.

Mr. MURTHA. We did that already in our bill.

Mr. McDADE. Will you yield?

Mr. SABO. I will yield.

Mr. McDADE. I know you struggled with maybe \$64 billion or \$65 billion that you are working with. Have you had any cuts at \$100 billion? If you don't get any growth, the number gets to be \$100 billion and more, as I understand the figure for the cuts.

Secretary CHENEY. If we don't get the one percent, one percent, two percent, two percent that the President gave us in OMB for targets, obviously I will have to go back to the drawing boards.

Mr. DICKS. You better go back.

Secretary CHENEY. It helps me in 1990 by letting me eliminate and terminate some programs.

Mr. MURTHA. You have \$2 billion cut in black programs: MILSTAR, ATF. We did our share of cutting.

Mr. McDADE. The only reason I want to raise this point is because Marty is talking about the problems that you are having with the authorizing committee and you will be facing them here as well, I am sure. I think all of us at this table feel that we are not going to see those plus-up numbers. This is what motivated a lot of us on ATF, MILSTAR, and ACM.

If we saw a program with any kind of a problem, we said, "Hold it," because you are going to have to sit down with probably a much more difficult set of figures and do a fight that is going to be a heck of a lot worse than the one you have just been through. I wanted to ask if anybody in the building even thought about next year's budget, if you don't have any of those plus figures. It is going to be a zinger. We tried to slow MILSTAR. We agree it is

important. Before we got into the negative growth, we added \$200 million. We wrote to Will Taft, saying, "If you really want this, put the numbers out there. Reprogram it right out."

We have had some conversations about that. The reason we went to that three-ball system is not because we want to go to it, but because we don't see the dollars over there long-term as you get out, to support that system.

So we were trying to bring these things in that are big outlays over the next five years and said, "Well, if we are going to look at a scenario in the sixties, take it up to one hundred," or I have heard arguments of \$150 billion.

I don't see how we can live with that.

Secretary CHENEY. I don't disagree at all with the problems we face with respect to funding. What we put together, we had to do in 39 days. I inherited the budget agreement. I inherited some marks and that is what I complied with.

There are times when I wake up in the middle of the night thinking what is the top line going to be in 1991 and 1992? I know it is going to be tough. I also know the way the town works.

That is, if I float out to two people in the Department of Defense an appropriated budget to take that top line down as much as you have suggested, that will immediately become a line in which we take all the further reductions. It is a difficult way to have to do budgeting. You heard the litany I laid out of the ways we have been hit over the last six months. It is crazy to run the Department of Defense that way.

We had the Reagan budget in January, the Bush budget in February; the agreement with Congress in May, post-inflation, post-drugs, post-sequestered. It is crazy.

Mr. McDADE. Nobody around here has seen anybody cope with problems like you are. We are very proud of what you are doing and I don't know who else could do it.

We are putting burdens on you and saying, "Give us five-year commitments on MILSTAR," and you don't know what your numbers are. It flows back and forth. The message for this committee is to be more insistent with our colleagues upstairs about where we are going.

Secretary CHENEY. And give us some certainty. If I knew the top line was not going to go up at all, if I had some confidence that I had a number I could live with in terms of years, we could do all kinds of things in terms of greater savings and efficiency.

Mr. McDADE. It is a moving target.

Mr. MURTHA. That comes as much from the White House as it does from here. It is a real problem. We can't defend putting more money in even for Afghanistan if somebody wants to take money out for drugs. If you ask people which is more important, obviously the Floor will decide the drugs are more important than Afghanistan. I complement you on what you are telling the services to do, get a program together. One of the problems we face is that they say you are getting a program together, we might as well take more money out of defense, in addition to the work that you are doing. I hope it stems the tide of taking money out of defense for drugs.

Next year the agreement that you come to is going to be the key to what kind of figures you have. That is why we are trying to get it under control this year so we don't have such a big spend-out for next year. I don't see how we will come up with the figures that you need for next year.

Mr. SABO. My sense is that everything is being put together for this year, because we assume our funding problem is a one-year problem. It is not. Everything I see coming next year is going to make this year look easy, unless folks have lots of money laying around that has not been used.

There is very little being done this year to address long-term cuts. I doubt whether \$5 million of the alleged \$30 million cut is real. It is mostly switching dates, et cetera. It goes on and on and on. If we finish what we apparently are going to do, assuming very generous economic assumptions next year as all Administrations do, we are still going to look at dollar amounts that are much, much larger than we had this year in terms of reaching Gramm-Rudman targets.

We try to make the budget real, but even under the best of circumstances with the best of economic assumptions and the maximum amount of smoke and mirrors next year, I just think it is going to be a real crunch.

Mr. MURTHA. Mr. Secretary, we listen to you. We listen to the Chiefs, we listen to the witnesses that come before the committee, those you send over to us to give us your position. We try to put the funds in to balance to take care of what we hear, including our trips to the field. I think if you look at our budget, for instance, we tried to make the most economic buys. We try to cut the programs out at a legitimate stage, between the four hours of flying at this point, we think the V-22 ought to fly more for the money we have in it. If we are going to buy the F-14, we say buy 24, because it is more efficient and economical.

We try to put a budget together that buys at the most reasonable rate that we can possibly find. The staff has worked all year focusing on those individual items. The Members themselves are specialized in particular programs and have been working on those programs for years. Joe McDade works on the strategic programs. Each Member works on specific programs trying to analyze it. I think we have been very helpful for a number of years to the Armed Services Committee. We do not go out to the newspapers and TV and criticize the Department.

We try to work with you and try to be helpful. I hope you will take it in that vein as you are going through this. Obviously, we have a balance we have to reach because the Floor dictates what we have to do in some cases. We don't even agree with them in some cases, but we are bound by them ultimately. So we try to be as cooperative as we can and come to a conclusion to help you wrestle with this problem down the road.

I agree with Joe McDade. You have done a brilliant job. You have made a brilliant presentation in the short time that you have been there. We want you to have a few months to get all this together before you make your presentation. You have done a brilliant job and we appreciate it.

We may have some slight disagreements that we hope to resolve in the conference.

Secretary CHENEY. Mr. Chairman, I want to thank the committee.

If there is a sympathetic group on Capitol Hill that understands the problems and the program, it is your subcommittee. I never question but that you have the best interests of the country at heart. I know from my own years in the Congress that the Executive Branch is not the fountain of all wisdom and the efforts you put forth and the overall quality of the product, I have enjoyed working with all of you over the years.

I look forward to my tenure as Secretary in terms of continuing that relationship.

Mr. MURTHA. Thank you very much.

The committee is adjourned.

WITNESSES

	Page
Cheney, Hon. R.B.....	251
Galvin, Gen. J.R.....	1
Hardisty, Adm. Huntington.....	99
Johnson, Gen. H.T.....	39
Menetrey, Gen. L.C.....	213
Thurman, Gen. M.R.....	143



INDEX

COMMANDER IN CHIEF, UNITED STATES EUROPEAN COMMAND

	Page
Budget Trends, NATO	34
B-2 Aircraft	35
Chemical Weapons.....	33
Conventional Forces in Europe (CFE) Agreement.....	26, 36
Cuba, MIG-29's in.....	26
Drug Interdiction	27
Follow-on-to-Lance	35
Initiative Fund, CINC	38
Introduction	1
Joint Surveillance Attack Radar System (JSTARS) and MILSTAR Program....	32
Manpower Requirements in Europe.....	28
Mobilization Requirements, Revised	27
OH-48D Development Program, Army Helicopter	37
Prepositioning of Materiel Configured to Unit Sets (POMCUS).....	31
Sealift	34
Soviet Withdrawals.....	33
Soviet Nuclear Weapons, Security of.....	24
Statement of General Galvin.....	5
Strategic Defense System	24
Summary Statement of General Galvin	1
Arms Control and Strategy	2
Central Europe, Changes in	1
Force Structure.....	3
Quality of Life.....	4
Soviet Threat.....	2
Summary.....	4

COMMANDER IN CHIEF, UNITED STATES PACIFIC COMMAND

Aircraft Carriers	109
Anti-Submarine Warfare.....	139
Arms Control	129
Budget, CINCs Input to the Defense	112, 113
Burdensharing Issues.....	113
China, Transfer of Technology to	136
Chinese Relationship with North Korea	119
Combat Ready Forces.....	131
C-130 Aircraft.....	127
Drug Interdiction.....	132, 140
Initiative Fund CINC	141
Introduction	99
Military Personnel Reprogramming	137

	Page
Missiles, Third World	111
Naval Forces, Pacific	127
Navy Headquarters in Washington, D.C. Area	126
Nuclear Free Zone	136
Philippines	109, 121
Bases	116, 125
United States Presence in	123
Quality of Life	113
Republic of Korea	109, 117
F-18's for	134
Reduction of Forces in	120
Student Demonstrations	120
United States Presence in Korea	123
Sealift	138
Soviet Overflights	111
Soviet Presence in the Pacific	110, 117, 128
Statement of Admiral Hardisty	112
Strategy of Pacific Command	111
Submarines, Akula	112
Summary statement of Admiral Hardisty	99
Pacific, Changes in the	99
Regional Instabilities	100
Strategy, Pacific Command's	100
Summary	100
Surface combatant vs. Air and Submarines	130

COMMANDER IN CHIEF, UNITED STATES SOUTHERN COMMAND

C-27 Aircraft	203
Canal Zone, United States Infrastructure in the	211
Caribbean Basin Radar Network (CBRN)	198, 209
Colombia, Helicopters for	186
Communications	172
Interoperability	201
Defense Budget, CINC Input to the	210
Drug Interdiction	178, 187
Budget Request for	187, 197
CINC Involvement in	205
Latin America, Magnitude of Drug Flow from	206
El Salvador	205
F-117 Aircraft in Panama	176
Headquarters, New Southern Command	200, 202
Housing in Panama	176
Initiative Fund, CINC	209
Introduction	143
Investment, United States Private Sector	200
Leaks	171
Nicaragua	173, 177, 204
Operation Just Cause, Impact of	175
Lessons Learned	204
Panama, United States Presence in	172
Peru	205
Resources, Southern Command	203

	Page
Responsibility, Southern Command's Area of	210
Security Assistance	191, 207
Security Forces, Panama	177, 199
Special Operations Forces	186
Summary Statement of General Thurman	143
Operation Just Cause	144
Accomplishments	169
Deployment	154
Goals	147
Objectives	149
Organization	152
Panamanian Forces	164
Performance of Troops	161
Personnel	158
Special Operations Forces	164
Training and Equipment	161
Weapon Caches	173

COMMANDER IN CHIEF, UNITED STATES TRANSPORTATION COMMAND

Airlift:	
Additional Requirements	88
Operational Requirements for	85
Sealift and Airlift Mix	87
Strategic Airlift	79
Arrow Air Crash, Gander, Newfoundland, December 1985	66, 96
General Accounting Office (GAO) Review	69
Government Transportation	73
Weight and Balance	71
C-17 Program	65
Civil Reserve Air Fleet (CRAF)	89
Equipment and Troops, Prepositioning	95
Fuel, Responsibility for	94
Initiative Fund, CINC	97
Introduction	39
Korea, Capability to Move Troops to	86
Operation Just Cause	84
Airlift	62
Use of Sealift	85
Pacific, Moving troops to the	95
Ready Reserve Fleet, Petroleum Tankers for the	92
Responsibilities and Budget, CINC Transportation	93
Retention and Quality of Lift	88
Sealift	83, 87
Industrial Capability for	89
Maritime Administration, Funding of	91
National Sealift Policy	90
Need for Additional	91
Statement of General Johnson	42
Summary Statement of General Johnson	39
Airlift	41
Maritime Industry	40
Mission of the Transportation Command	39
Operation Just Cause	40
People	40

	Page
Summary Statement of General Johnson—Continued	
Transportation assets	41
Tankers	93

COMMANDER, UNITED STATES FORCES, KOREA

Aircraft for Korea, Fighter	239
Japan vs. Korea Aircraft Deal	240
Airlift and Sealift Capability	234
Budget, Defense	239
Command and Control	236
C-17 Aircraft	234
Dependents, Non-Command Sponsored	244
Equipment Made in Korea	245
Equipment Purchased in The United States, Korean	241
Forces in the Pacific, United States	233
GNP Committed to Defense, Republic of Korea	246
Initiative Fund, CINC	249
Introduction	213
North Korea:	
Chemical Munitions in	245
Equipment and Supplies	245
Threat	231, 241
North Korea, Soviet Union and China	234
Pacific, United States Force in The	233
Panama Operations	236
Philippines, United States Bases in The	235
Population and Economy of Korea	237
South Korean Forces	232
Quality of	237
Statement of General Menetrey	216
Summary Statement of General Menetrey	213
Defense Spending, Korean	215
Northeast Asia, Importance of	214
North Korea	214
Summary	215
United States—Korean Alliance	214
Troops in Korea, United States	232
Cost to Station Troops in Korea	242
Troop Reductions	242

FISCAL YEAR 1990 DEFENSE POSTURE

Advanced Antitank Weapon System—Medium (AAWS-M)	297
Advanced Tactical Fighter (ATF)	294
Afghanistan	283
Airborne Reconnaissance	300
Anti-Satellite (ASAT) Program	298
Beirut	263
Brilliant Pebbles	280
Budget Request, Fiscal Year 1990	286, 281
Budget Request, Fiscal Year 1991	301
Burdensharing	289
B-1B and B-2 Programs	276, 277
Chemical Weapons	290
Five Year Defense Plan	286

	Page
Human Intelligence	265
Introduction	251
Japan	287
Korea	285
Operation and Maintenance Funding	289
Panama	263, 267
Personnel	281
Force Reductions	284, 295
Reductions in	293
Procurement and Acquisition	291
Sequestration	270
Soviet Military Capability	271
Soviet Threat	271
Statement of the Secretary of Defense	254
Strategic Arms Reduction Talks (START) Agreement	272
Strategic Defense Initiative	279
Summary Statement of Secretary Cheney	251
Panama	252
Summary	252
Trident Submarine	274
V-22 Program	287